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Department of the Army
Field Contracting Activities' Contracting
Efforts Under the Javits-Wagner-O'Day Act

by

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I. INTRODUCTION

A. AREA OF RESEARCH

This research was focused on one of the mandatory sources of supply for the Department of Defense - products and services of people who are blind or severely disabled. The objective of this thesis was to examine the Department of the Army's contracting efforts under the Javits-Wagner-O'Day Act. The Javits-Wagner-O'Day Act (Public Law 92-28) established the nonprofit agencies affiliated with National Industries for the Blind and NISH (formerly known as National Industries for the Severely Handicapped) as a mandatory source of supply for Federal Government agencies. The major issue studied was whether or not Department of the Army field contracting activities are complying with the requirements of the Act.

B. RESEARCH QUESTIONS

The primary research question was: How effectively are the Department of the Army contracting activities complying with the requirements of the Javits-Wagner-O'Day Act? There were five subsidiary research questions: (1) What are the requirements of the Javits-Wagner-O'Day Act? (2) What are the responsibilities of the President's Committee for Purchase from the Blind and Other Severely Handicapped? (3) What are the types of products and services that are provided by the

National Industries for the Blind (NIB) and NISH (National Industries for the Severely Handicapped)? (4) What are the principal impediments or barriers to Department of the Army procurement of products or services from NIB/NISH? (5) What actions are required to overcome these barriers and enhance NIB/NISH participation in contracting with the Department of the Army?

C. SCOPE OF THE STUDY

The study was broad in scope. The areas examined include the following: the intent of the Javits-Wagner-O'Day Act; the roles and responsibilities of the Committee for Purchase from People Who are Blind or Severely Disabled; the roles and responsibilities of the central nonprofit agencies; the identification of commodities and services provided by nonprofit agencies; the demographics of the JWOD population; the process of adding or deleting items from the Procurement List; the principal barriers or impediments to Department of the Army Procurement of products or services from NIB/NISH; the actions required to overcome these barriers; and the benefits/drawbacks of contracting with a mandatory source.

D. RESEARCH METHODOLOGY

1. Literature Review

A review of applicable literature was conducted to gather information about the Javits-Wagner-O'Day Program. The

literature that was reviewed included statutes, regulations, published goals and objectives of the Program, policy letters, and historical information. The majority of the literature was obtained from the Committee for Purchase from People Who are Blind or Severely Disabled, the headquarters of the National Industries for the Blind and NISH headquarters.

2. Survey

A survey of selected Department of the Army contracting activities was conducted to determine their current positions regarding contracting under the Javits-Wagner-O'Day Act. The survey was sent to 64 Department of the Army field contracting activities with a total of 40 activities responding to the survey. These activities were selected from the Army Contracting and Management Data List, dated April 1993. The activities selected were from the Forces Command, the Training and Doctrine Command, the Health Services Command, and the U.S. Army Corps of Engineers. Respondents were requested to be as candid as possible with their remarks and they were allowed to remain anonymous if they so desired. A total of twenty-one questions were asked. The intent of the questions was to determine the contracting activities' positions in the following areas: the status of training of contracting personnel in regards to JWOD; the benefits and problems for contracting personnel and their customers when doing business under JWOD; recommendations for

improving the JWOD Program; and the contracting activities' perceptions of JWOD products and services regarding quality, price, a stable contracting source and the ability to deliver on time.

3. Interviews

Research was also conducted through interviews with personnel from Department of the Army field contracting activities, the Committee for Purchase from People Who are Blind or Severely Disabled, and the central nonprofit agencies. The intent of the interviews was to gain insight into the Program regarding goals and objectives of the Program, identification of barriers to the effective utilization of JWOD products and services among field contracting activities, and to seek recommendations to overcome these barriers.

E. ORGANIZATION OF STUDY

The research was organized and presented in the following format:

- Chapter I - Introduction and Research Methodology.
- Chapter II - Historical background of the JWOD Program and the roles and responsibilities of the Committee for Purchase from People Who are Blind or Severely Disabled.
- Chapter III - Roles and responsibilities of NIB and NISH, qualified nonprofit agencies and the products and services they produce, and a demographic profile of JWOD employees.
- Chapter IV - The process of addition or deletion of items to the Procurement List.

- Chapter V - Presentation and analysis of data from the survey.
- Chapter VI - Conclusions, recommendations, answers to research questions, and areas for further research.

II. BACKGROUND

A. INTRODUCTION

This chapter provides the background information concerning the Javits-Wagner-O'Day Program. The research will present the origins of the Javits-Wagner-O'Day Act and will discuss the intent of the Act. A discussion of the National Industries for the Blind will be presented to illustrate its efforts to further the opportunities for blind people. A short discussion will follow that presents the key points of the Javits-Wagner-O'Day Act in its present form. The chapter will conclude with a discussion of the roles and responsibilities of the Committee for Purchase from People Who are Blind or Severely Disabled (referred to as the Committee).

B. HISTORICAL BACKGROUND OF THE JAVITS-WAGNER-O'DAY PROGRAM

Throughout the early decades of the twentieth century, blind people produced mops, brooms, wove rugs and did other similar tasks. For many years, several individuals tried to increase employment opportunities for blind people. Among the most notable were Dr. Robert B. Irwin, a former executive director of the American Foundation for the Blind, M.C. Migel, one of the founders of the American Foundation for the Blind, and Dr. Peter J. Salmon, executive director of the Industrial Home for the Blind. Both Dr. Salmon and Dr. Irwin were blind.

Throughout the late 1920's and into the 1930's these individuals sought to advance the opportunities of blind people by lobbying the nation's legislators. Dr. Salmon tried to obtain a share of the Government's broom business. He felt that it could lead to a source of steady employment for people employed by workshops for the blind. [Ref. 29: p. 4]

Through the efforts of Mr. Migel, Dr. Salmon, and Dr. Irwin, blind people found support for their cause in the U. S. Congress. Senator Robert F. Wagner and Representative Caroline O'Day were the legislative champions for blind people. Representative O'Day introduced the legislation that became known as the Wagner-O'Day Act. This legislation was signed into law in 1938. [Ref. 29: p. 3]

The purpose of the Act was to provide employment and training opportunities for blind individuals. The Act was designed to use the purchasing power of the Federal Government to procure products from industries that employ blind individuals. These Government purchases would enhance the employment opportunities for the blind. [Ref. 10]

An advisory committee of workshop managers was formed to decide how the Act should be administered among the workshops. The advisory committee became known as The General Council of Workshops. The General Council decided that workshops would have to be certified as actual employers of the blind to be eligible for orders. They also stressed the importance of producing high quality products and performing to Government

specifications. The General Council decided that a separate organization should be formed to facilitate the distribution of orders among the various workshops. The National Industries for the Blind (NIB) was formed on August 10, 1938 to perform this distribution function. [Ref. 29: p. 6]

The passage of the Wagner-O'Day Act mandated that the Federal Government purchase from industries for the blind. The Wagner-O'Day Act gave a preference to qualified industries for the blind over commercial industry for the purchase of selected commodities for the Federal Government. [Ref. 30] This preference was second only in priority to commodities purchased from the Federal Prison Industries. The first commodities to be purchased from the blind would be mops and brooms. [Ref. 30]

The Act did not create a "hand out" nor was it a welfare program. The industries for the blind had to provide quality products that conformed to Government specifications, at a competitive price, and be delivered on time. [Ref. 30]

The law also stated that other suitable commodities could be purchased from the workshops. However, this did not mean that the Government would be required to purchase all commodities that the industries for the blind just happened to be making. In order to sell products other than mops and brooms, the workshops would have to compete with private industry for Government business. [Ref. 29: p. 7]

C. EFFORTS TO ENHANCE OPPORTUNITIES FOR THE BLIND

The decade of the 1930's saw periods of extremely high levels of unemployment as the Great Depression hung over the United States. The blind were no exception but the passage of the Wagner-O'Day Act seemed to provide the opportunity that this group needed. Government agencies cooperated with the provisions of the Act and very soon products supplied by the blind expanded beyond mops and brooms. [Ref. 29: p.8]

As the United States began the build up for World War II, the workshops had time to expand their products, continue to learn to produce to Government specifications, improve techniques for purchasing raw materials, and deal with meeting delivery deadlines. By the end of 1940 the number of workshops had expanded to forty-four and sales exceeded \$1 million. [Ref. 29: p. 8]

After World War II ended, there was a sharp decrease in Federal orders. To position itself for the future, NIB established an office in Washington, D.C. to facilitate closer interaction with Federal Government officials. [Ref. 29: p. 9]

NIB started steps to expand its Government market. After several years of work, NIB had blind made products on the shelves of military commissaries by 1957. By establishing the military resale market, NIB was able to increase the number of blind people employed in the workshops. These consumer products were manufactured under the registered trade name

"SKILCRAFT," intended to be a symbol of high quality to the consumer. [Ref. 29: p. 9]

By 1960, NIB sales had expanded to more than \$24 million, with \$8.7 million of these sales being to the Federal Government. The number of workshops had increased to sixty-two as the types of products that were being produced by the blind had expanded. [Ref. 29: p. 10]

NIB continued to look to the future and concentrate on its expansion. As a part of this expansion effort, NIB opened a center in St. Louis that became the headquarters for all NIB marketing, merchandising, and research and development efforts. Extensive market studies were performed, package designs were coordinated, and the "SKILCRAFT" trademark was redesigned. In 1966, NIB acquired the Modglin Company, a housewares manufacturer, and converted this all-sighted operation into a model demonstration workshop for the blind. [Ref. 29: p. 10] The company was later renamed the Royal Maid Association for the Blind Inc. In 1968, NIB obtained a contract with GSA to manufacture ball point pens. Because of this effort, an additional 125 blind individuals were able to be employed. [Ref. 29: p. 10]

D. THE JAVITS-WAGNER-O'DAY ACT OF 1971

Throughout the 1960's, the composition of the workforce was changing. More blind employees with additional handicaps, and individuals with other severe handicaps, began to enter

the workforce. Attitudes in society also began to change as there was more open acceptance of individuals with handicaps.

In 1971 Senator Jacob K. Javits sponsored legislation that amended the Act. This legislation, Public Law 92-28, is now known as the Javits-Wagner-O'Day (JWOD) Act. The Act permitted nonprofit agencies serving people with other severe disabilities to participate in the JWOD Program. The new law further provided a third preference for the purchase of commodities by the Federal Government. The third preference, after the Federal Prison Industries and purchases from the blind, went to nonprofit agencies that employ other severely handicapped individuals. The law also provided that services as well as products could be provided to the Government and that nonprofit agencies employing the blind or other severely handicapped individuals would have preference in the procurement of services over private industry. [Ref. 30]

E. COMMITTEE FOR PURCHASE PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Under the JWOD Program, the Federal agency that has the responsibility for administering the program is the Committee for Purchase from People Who are Blind or Severely Disabled. The implementing guidance for the JWOD Program is in the Code of Federal Regulations (41CFR Chapter 51) and the Federal Acquisition Regulation (FAR Subpart 8). [Ref. 30] The Committee is an independent Federal Agency that is a part of

the Executive Branch. The Committee consists of fifteen Presidentially appointed members. Of the fifteen members, eleven represent Governmental agencies (Departments of Agriculture, Air Force, Army, Commerce, Defense, Education, Justice, Labor, Navy, and Veterans Affairs, and the General Services Administration). The remaining four members are private citizens: one must be knowledgeable of problems associated with the employment of blind individuals; one must be knowledgeable of problems associated with the employment of persons with severe disabilities; one must represent blind individuals employed in qualified nonprofit agencies for the blind; and one must represent persons with severe disabilities employed in qualified nonprofit agencies for the severely handicapped. [Ref. 46: subpart 51-2.1]

Public Law 92-28 requires the Committee to establish a central nonprofit agency or agencies to facilitate the fair distribution of Government orders for commodities or services on the Procurement List. The Committee has designated the National Industries for the Blind (NIB) and NISH (National Industries for the Severely Handicapped) to perform this and other functions to help nonprofit agencies participate successfully in the JWOD Program. NIB and NISH are private organizations that work closely with the contracting activities and the nonprofit agencies to match Government requirements with nonprofit agency capabilities. [Ref. 10: p. 7]

The Committee's mission is to increase employment and training opportunities for persons who are blind or have other severe disabilities and, whenever possible, to prepare these individuals for competitive employment. [Ref. 46: subpart 51-2.2] The Committee's primary means to accomplish this objective is through the Federal Government's purchase of commodities and services provided by nonprofit agencies.

To perform its mission, the Committee has many powers and responsibilities. One critical responsibility is that the Committee will establish rules, regulations, and policies that will assure effective implementation of the JWOD Act. The Committee will monitor nonprofit agencies to ensure their compliance with Committee regulations and procedures. [Ref. 46: subpart 51-2.2]

Another important area regards the determination of which products and services are suitable for procurement by the Federal Government. The Committee shall make these determinations and add or delete items to the Procurement List as appropriate. The Procurement List is the approved list of mandatory products or services that must be procured from nonprofit agencies by Federal Government procuring activities. Items added to or deleted from the Procurement List will be published in the Federal Register. [Ref. 46: subpart 51-2.2]

A key responsibility of the Committee under the provisions of the JWOD Act is to determine a fair market price for the items on the Procurement List. The prices for products and

services that are procured from nonprofit agencies by the Federal Government will not be determined by the usual methods such as would be found in sealed bidding or with competitive negotiation. NIB or NISH will calculate an estimated fair market price and submit this to the Committee. The Committee will then establish the prices for commodities or services at the time the items are added to the Procurement List. The Committee will also revise prices when appropriate to reflect current market conditions. [Ref. 10: p.14] A detailed review of pricing procedures under the JWOD Act will be presented in Chapter IV.

Another area of responsibility for the Committee is to assist agencies of the Federal Government in expanding their level of JWOD procurement. The Committee will inform Federal agencies about the JWOD Program and the statutory mandate that items on the Procurement List be purchased from qualified nonprofit agencies. The Committee shall also encourage and assist agencies of the Federal Government to identify additional commodities and services that can be purchased from qualified nonprofit agencies. [Ref. 46: subpart 51-2.2]

The Committee is also charged with the responsibility to monitor and evaluate its own activities to assure the effective and efficient administration of the JWOD Act. To accomplish this activity the Committee may look at problems relating to the employment of blind or severely handicapped individuals. The Committee may provide technical assistance

to NIB/NISH and examine production methods to enhance the employment opportunities for the blind and other severely handicapped.

F. SUMMARY

This chapter has reviewed the historical background of the Javits-Wagner-O'Day Act (Public Law 92-28) and its purpose. The intent of the Program is to provide employment and training opportunities for people who are blind or severely disabled, through the Government purchase of commodities and services. The ultimate goal of the Program is to provide training for these individuals so that they will become productive citizens who are not dependent upon the support of the Government. It is not a "hand out" and these individuals are not on the "dole."

This chapter also reviewed the responsibilities of the Committee for Purchase From People Who Are Blind or Severely Disabled. Under the JWOD Act, the Committee is an independent Federal agency that is responsible for establishing rules, regulations, and policies to assure effective implementation of the JWOD Act. The Committee will determine which commodities and services are suitable for procurement by the Federal Government and it will determine the fair market prices for these items. The Committee will also assist agencies of the Federal Government in expanding their level of JWOD procurement.

The next chapter will discuss the responsibilities of the central nonprofit agencies (NIB and NISH) under the JWOD Act and how they are structured to accomplish their missions. There will also be a discussion of the qualified nonprofit agencies to include an identification of some of the products and services that are available. Sales information for the JWOD Program for Fiscal Year 1992 will be presented. Also, demographic information will be shown to provide information about the JWOD population.

III. NONPROFIT AGENCIES

A. INTRODUCTION

Under Public Law 92-28, the Committee will designate central nonprofit agencies to represent nonprofit agencies for the blind and nonprofit agencies that employ people with other severe disabilities. Those agencies respectively are the National Industries for the Blind and NISH.

This chapter will examine the responsibilities of these two agencies under the JWOD Act. This includes a discussion of the nonprofit agencies that are affiliated with NIB/NISH, an identification of some of the products and services that are available from these nonprofit agencies, a presentation of Fiscal Year 1992 sales data and a presentation of a demographic profile of the JWOD population.

B. RESPONSIBILITIES OF THE CENTRAL NONPROFIT AGENCIES

As was pointed out in Chapter II, NIB and NISH are the central nonprofit agencies that have been designated to facilitate the distribution of Government orders from items on the Procurement List among the nonprofit agencies. NIB and NISH are private, nonprofit organizations and they are not Federal Agencies.

Their objective is to assist nonprofit agencies to effectively participate in the JWOD Program. As advocates of

the JWOD Program, these organizations fulfill their responsibilities by visiting Government contracting activities and explaining the JWOD Program. They talk with Government personnel about the potential products and services that could be provided by nonprofit agencies to the Federal Government. [Ref. 10: p. 7]

NIB and NISH interact on a regular basis with Government contracting activities and the nonprofit agencies to satisfy Government requirements and increase employment opportunities for individuals in the nonprofit agencies. If a potential commodity or service is identified, then NIB or NISH will work closely with the contracting activity to get the necessary data that are needed by the Committee to determine if the commodity or service is suitable to be included in the JWOD Program. [Ref. 10 p. 7]

1. Allocation Process

The central agencies also allocate orders from Government contracting activities to various nonprofit agencies. The central agencies may authorize contracting activities to use the direct-order process. Under this process, contracting activities submit orders directly to a workshop for a product or service under the direct-order process. [Ref. 47: subpart 8.705-2]

If the direct-order process has not been authorized, then the allocation process will be used. Using this process,

the contracting activity submits a written request for allocation of an order to the appropriate nonprofit central agency. The allocation issued by the ordering office will include instructions to direct the contracting activity to submit an order to a specific workshop or submit the order to the central nonprofit agency. [Ref 47: subpart 8.705-3]

2. Compliance with orders

The central agencies work to ensure that nonprofit agencies comply with the terms of orders. As with other sources of supply, changes in lead time can occur with the workshops. When this happens, the central agency will notify the ordering office and request a revision in the delivery date. If possible the ordering activity will grant the revision. If a revision is not possible, the ordering office will notify the central agency and request that the order be reallocated or request a purchase exception. [Ref. 47: subpart 8.705-4]

When a workshop fails to perform under the terms of the order, the contracting activity should attempt to resolve the issue directly with the workshop. If the noncompliance can't be resolved, the contracting activity will seek assistance from the central nonprofit agency and if necessary, the Committee to resolve the noncompliance. [Ref. 47: subpart 8.705-4]

3. Purchase exceptions

Even though the nonprofit agencies are a mandatory source of supply, there may be occasions that a contracting activity might have to seek a commercial source of supply for an item that is on the Procurement List. This can only be done if the contracting activity has obtained a purchase exception from the appropriate central nonprofit agency. Purchase exceptions can be granted if the workshops can't provide the product or service within the specified time and a commercial source can provide the items. A purchase exception may also be granted if the quantity required can not be produced economically by the workshops. When a central nonprofit agency grants a purchase exception it will specify the quantity or the period of performance covered by the exception. [Ref. 47: subpart 8.706]

C. NATIONAL INDUSTRIES FOR THE BLIND STRUCTURE

NIB is a private not-for-profit corporation and it is their philosophy that:

...every blind and multihandicapped blind person who wants to work should be given that opportunity. NIB is committed to developing, expanding and improving opportunities for the evaluation, training, employment and advancement of blind and multihandicapped blind people in and through its associated industries. [Ref. 30]

NIB headquarters staff, located in Wayne, New Jersey has the overall responsibility for marketing, military resale, financial management, rehabilitation services, public affairs,

and nonprofit agencies' compliance with JWOD. [Ref. 10: p. 7-8]

The Government Business Division is located in Alexandria, Virginia. It works with contracting activities and nonprofit agencies to identify new products and services and it provides assistance in making additions to the Procurement List. This division assists the Committee in developing fair market prices, conducts the Allocation process, computes pricing and costing information, and other contract administration activities. [Ref. 10: p. 8]

The NIB Technical Center is located in St. Louis, Missouri. This center is the primary source of engineering support for nonprofit agencies that are associated with NIB. At this center, engineers and specialists conduct research on the latest manufacturing methods to develop improvements that can be used in industries for the blind. As a result of this technological research, there has been a steady increase in the use of automation in the workshops. [Ref. 10: p. 8]

The Technical Center also performs a variety of other tasks that are of interest to contracting officials. The specialists here also provide support in the area of quality. They evaluate raw materials, in-process components, and finished goods in order to deliver a quality product to the customer. [Ref. 10: p.8]

In an effort to expand the number of employment opportunities, NIB has extended grants to workshops. These

grants have been used to provide start-up funds to create workshops where none previously existed. [Ref. 26: p. 7]

Grants have been used to improve production, manufacturing efficiency and quality in nonprofit agencies. NIB has loaned funds to workshops that have financed raw materials, capital equipment, and facility expansions. These actions by NIB have been made to expand employment opportunities and assist the workshops to provide quality products to the Government. [Ref. 26: p. 7]

D. NATIONAL INDUSTRIES FOR THE SEVERELY HANDICAPPED STRUCTURE

The NISH organization's national headquarters is located in Vienna, Virginia. Its national staff is responsible for engineering support, commodity/service identification and development, training, costing review, contract administration, compliance assistance, financial management and research and development. [Ref. 10: p. 8]

NISH also has six Regional Offices located nationwide. The staff at a Regional Office consists of project managers, engineers, cost/price analysts, and experts in several different service areas. [Ref. 10: p. 8]

NISH has a decentralized organization to deal with the large number of nonprofit agencies that it assists. The Regional Offices work with the contracting activities, and the local nonprofit agencies to identify potential items for the Procurement List. Staff members at the Regional Offices

provide assistance to the work centers as needed to ensure that the contracting activities are receiving quality commodities and services from the nonprofit agencies. If additional assistance is needed beyond the capabilities of the Regional Office, the National Office staff will intervene. [Ref. 10: p. 8]

E. QUALIFIED NONPROFIT AGENCIES

To be eligible to participate in the JWOD Program, nonprofit agencies must be approved by the Committee. To be qualified, a workshop must meet the requirement of employing blind (in the case of industries affiliated with NIB) or blind and other severely handicapped individuals (in the case of work centers associated with NISH) for at least 75% of the direct labor hours performed in the workshop in any given fiscal year. [Ref. 15]

These qualified nonprofit agencies are organized under State or Federal law and work to serve the interests of people who are blind or have other severe disabilities. These agencies are referred to in the literature as workshops, work centers, industries, rehabilitation facilities, or community rehabilitation programs. Most of the agencies are private charitable organizations, however there are a few state agencies. [Ref. 10: p. 8]

The majority of participating agencies are independent nonprofit agencies but others are affiliated with nationally

recognized organizations. Some of these organizations include Lighthouses for the Blind, Goodwill, Easter Seal and Association of Retarded Citizens. [Ref. 41: p. 1]

Just because these organizations are nonprofit agencies does not mean that they are exempt from the requirements that face other businesses who contract with the Federal Government. The nonprofit agencies must provide quality products or services, on time and at a fair price. The nonprofit agencies must comply with all Federal regulatory requirements that are placed on all Government contractors. Agencies under the JWOD Program must also comply with environmental regulations, Occupational Safety and Health Administration requirements, and Department of Labor regulations. [Ref. 10: p. 9]

In Fiscal Year 1992 there were 508 qualified nonprofit agencies in the JWOD Program. This represented a record number of agencies in the Program. During the past ten years, the number of agencies has nearly doubled from 272 in Fiscal Year 1983 to the 508 that are now under JWOD. [Ref. 8: p. 18]

1. Commodities and Services Provided By Nonprofit Agencies

More than 3,500 commodities and services are provided under the JWOD Program. [Ref. 10] Due to the wide variety of commodities and services that are provided it would be difficult to present a comprehensive listing of the different

items. Therefore, the research will present a small sample of commodities and services provided under the JWOD Program to give an indication of the items that are available.

There is a wide range of services that are available to Federal Government contracting activities under the JWOD Program. Some of these services include: repair services such as cleaning and evaluating magnetic tape, fixing damaged shipping pallets, and repair of cargo nets; laundry services performed with Work Center owned and operated facilities or operated at Government-owned facilities; mail services that include shipping, receiving, and barcoding of mail; grounds maintenance which covers mowing, seeding, and the operation of irrigation systems; warehouse services such as shipping and receiving, reconciliation of stock, scheduling shipments and inspection of property. [Ref. 39] The list of services continues with the areas of food service, janitorial and custodial services and recycling services. Administrative services are provided that include the operation of switchboards, the maintenance of Marine Corps personnel records and the conversion of documents to microfilm, microfiche and optical disk. [Ref. 39]

There is also a wide range of products that are produced under the JWOD Program. As was pointed out in Chapter II, the first products produced in 1938 under the Program were mops and brooms. Since that time the number of workshops have grown and their products have diversified.

JWOD products, such as pens and pencils, can be found in almost any Government office under the SKILCRAFT trade name. Items such as detergents, glass cleaners, sponges, paper plates, paper towels, and aerosol paints are purchased by the General Services Administration. [Ref. 29: p. 18-19]

In addition to these items, there are many commodities that are made specifically for the Department of Defense. Some of these items are Army sweat suits, canteens and canteen caps, flatware, coat liners, ponchos, the assembly of components of the Kevlar helmet, sea markers, cable assemblies, wheel chocks for aircraft, and panel markers. [Ref. 29: p. 18-19]

Products for military resale continue to be in demand in commissaries throughout the world. Typical products in this area include wire brushes, sponges, detergents, pot holders, and candles. [Ref. 10: p. 20]

This wide range of products and services offered is an indication of the fact the individuals who are providing these items possess an impressive range of capabilities. People with severe disabilities can perform many tasks, are highly self-motivated and take responsibility for their work. [Ref. 10: p. 35]

2. Sales for Fiscal Year 1992

In Fiscal Year 1992, sales of JWOD products and services reached \$475.6 million. This represented an increase

of less than one percent over the record high sales of fiscal Year 1991. Sales by nonprofit agencies that employ blind people were approximately \$206 million. This represented 43 percent of overall purchases from the JWOD Program. The remaining 57 percent of sales were by agencies employing individuals with severe disabilities. These sales were almost \$207 million with \$180 million for services and nearly \$90 million for commodities. Overall, service sales increased by 26 percent over FY 1991 and sales of products decreased by about \$38 million from FY 1991. This reduction was a combination of overstocking by DOD and GSA for Desert Shield/Storm and the downsizing within DOD. [Ref. 8: p. 9]

3. Sales by Purchaser

JWOD products and services are procured by many Federal Government agencies. The two largest customers are the General Services Administration and the Defense Logistics Agency because they act as sources of supply for other Federal and military agencies. Sales to GSA in FY 1992 were \$207.9 million and DLA sales were \$107.6 million. Military resale purchases accounted for \$20.9 million. The sales figures for the individual Services are as follows: the Department of the Navy sales were \$30.8 million; the Department of the Air Force sales were \$55.2 million; and the Department of the Army sales were \$15.6 million. Sales to other Federal Agencies accounted for \$37.1 million. [Ref. 8: p. 9]

F. DEMOGRAPHIC PROFILE OF THE JAVITS-WAGNER-O'DAY POPULATION

Even though the JWOD Program has been in existence for a number of years, there has been little research conducted to provide information on the population of the Program. In 1991, Research & Evaluation Associates, Inc., conducted a study on individuals participating in the JWOD Program. The purpose of the study was to collect and analyze demographic data and other characteristics such as, living arrangements, employment and wages, benefits, and competitive job placement of individuals in the program. The research was also to examine the impact that the JWOD Program has had on the individuals participating in the program and to gain a better understanding of the needs of these individuals. [Ref. 41: p.2] This information could also aid the Committee in its dealings with Congress, Federal Agencies, and other organizations. [Ref. 35: p. 1]

The research design was a joint effort between Research and Evaluation Associates, Inc., and a Study Review Panel that consisted of representatives from the Committee, NIB, NISH, the Sheltered Occupational Center of Northern Virginia, Inc. (a participating agency in JWOD), and the Department of Education. This effort resulted in the use of two methods to conduct the study, a mail survey and on-site interviews. [Ref. 41: p.2]

The mail survey was sent to 1,657 JWOD employees representing about 10% of the JWOD population. This

questionnaire collected basic demographic information regarding disabilities, employment and wages, benefits, competitive job placement, and living arrangements. There was a 95% response to the survey. [Ref. 35: p. 1]

On-site interviews were conducted at 17 JWOD agencies, 11 which were affiliated with NISH and 6 of which were affiliated with NIB. Interviews were conducted with 218 employees to collect similar but more detailed information than was obtained in the mail survey. [Ref. 35: p. 1]

1. Findings of the Study

The following are some of the findings of the survey.

a. Basic characteristics

The following are some of the basic characteristics of the JWOD population. Almost two-thirds of the population are male (64%) while 36% are females. Nearly three-fourths of the individuals were born with their primary disability. [Ref. 35: p. 1] The largest percentage (67%) of JWOD employees have never married; 17% are married and 8% are divorced. In the category of ethnicity, 63% are white, 28% are black and 7% are Hispanic. [Ref. 41: p. 12-13]

b. Formal Education

More than 90% of all JWOD employees had some formal schooling. Almost 37% have either graduated from high school or have received their General Education Diploma. Another 34%

have had some high school education while 7.3% have had some college/post graduate education. [Ref. 41: p. 14]

c. Vocational Training Received Before Entering the Javits-Wagner-O'Day Program

Over one-half (51.1%) of the JWOD employees did not receive any vocational training before entering the JWOD Program. This is an indication that the Program is meeting an unfulfilled need in society. Although these individuals could receive training elsewhere, their chances of receiving this vocational training would be significantly less without the existence of the JWOD Program. [Ref. 35: p. 3]

d. Disabilities in the Javits-Wagner-O'Day Population

All JWOD employees are legally blind or have a disability that prevents them from finding and engaging in competitive employment over a long period of time. Several employees have a combination of disabilities and most were born with their disability. [Ref. 41: p. 17]

The most common types of disabilities within the JWOD population are mental retardation, visual disabilities, mental illness, and physical disabilities. Over one-half (51.6%) of the workforce are persons who are mentally retarded and within this segment, one-third of these are persons with mild retardation. Persons who are blind compose 30.1% of the JWOD population. Persons with mental illness represent nearly one-fourth (22.9%) of the JWOD workforce while people with

physical disabilities represent 18% of the workforce. [Ref. 41: p. 17-22]

Many of the employees in the JWOD workforce have multiple disabilities. Of the employees at NIB-affiliated agencies, 62.7% have only a visual disability and the remaining NIB-affiliated employees have multiple disabilities. Over 57% of NISH-affiliated employees have multiple disabilities. [Ref. 41: p. 34-35]

e. Javits-Wagner-O'Day Employment and Compensation

Most of the JWOD employees work full-time in service, manufacturing or assembly related jobs. Most were not working or had never worked full-time before being employed under the JWOD Program. Nearly 85% of NIB-affiliated employees and about 72% of NISH-affiliated employees are working full-time. Overall, almost three-fourths of the JWOD employees are working full-time. [Ref. 41: p. 44]

For the remaining employees that work part-time, 38.9% work part-time because there is not enough work at the agency. Others work part-time because of personal choice, or they are receiving additional training or therapy. [Ref. 35: p. 5]

Over one-third of the JWOD employees have been at their current agency between one and five years. Almost 20% have been employed less than one year and another 20% have been employed for ten or more years. [Ref. 41: p. 43]

The length of employment varies depending on which agency, NIB or NISH, with which the individual is associated. There were 22.1% of NISH-affiliated employees that had been at their agency for less than one year while only 11.5% of NIB-affiliated employees had been at their agency for less than one year. Only 16% of NISH-affiliated employees had been employed for ten years or longer while 33.1% of NIB-affiliated employees had been at their agency for ten or more years. These facts are due to the higher turnover within the NISH-affiliated population and the establishment of new NISH agencies. [Ref. 41: p. 43]

More than one-half (56%) of JWOD employees are earning at least the minimum wage of \$4.25 or higher. Also, certain JWOD jobs pay higher than the minimum wage so that a worker whose productivity is less than 100% can achieve at least the minimum wage or higher. [Ref. 35: p. 5]

JWOD employees were questioned if they ever intentionally limit the number of hours they work to intentionally limit their income to remain eligible for other benefits. The study found that 95% of the employees do not limit their job related income in this manner. The 5% who do limit their workhours do so for fear of losing their Social Security or other benefits. [Ref. 41: p. 53]

Almost 72% of JWOD employees receive some type of Federal Government benefit. The types of benefits received are Supplemental Social Security Income (33%), Social Security

Disability Insurance (19.7%), Medicaid/Medicare (28.5%), Food Stamps (4.6%), and Veteran's Benefits (1.1%). It was also found that 29% of these employees have reduced the number of benefits that they receive since they became JWOD employees.

[Ref. 35: p. 5-6]

Even though these individuals are receiving some type of benefit, they are making a contribution to society just as citizens who are employed in conventional jobs. That contribution is in the form of Federal income taxes. Most employees (95%) report that they are paying Federal taxes. Over two-thirds reported that they were not paying Federal income taxes before being employed under the JWOD Program.

[Ref. 35: p. 5]

f. Competitive Placement of Employees

As was stated in Chapter II, the intent of the JWOD Program is to provide training and employment opportunities for people who are blind or have other severe disabilities and, if possible, prepare these individuals for competitive employment. JWOD agencies have annually placed an average of 1,300 to 1,600 employees per year into competitive jobs over the past several years. [Ref. 41: p. 65]

Because this particular study only looked at current JWOD employees for 1991, the survey results may distort and understate the achievements of the agencies and the JWOD employees who have successfully retained jobs in the

competitive marketplace. Former JWOD employees who have been successfully placed in competitive employment were not included in the survey. [Ref. 41: p. 65]

Of the current JWOD employees, nonprofit agencies have attempted competitive job placements for 4,430 persons (29.3% of the JWOD population). Of these individuals, 2,661 employees were not placed while 1,768 employees were placed in competitive employment. No efforts have been made to place the remaining two-thirds of the population. [Ref. 41: p. 66] Competitive job placement attempts were not made because the employees were not interested in competitive job placement, the employee's work performance was not sufficient to adequately perform on a competitive job, there were no suitable jobs in the community or the employee felt that JWOD employment was the best available job. [Ref. 41: p. 70]

Even though several JWOD employees were placed in competitive employment, 49% left their job because they were fired, quit or laid off. Of those that were laid off, 62% indicated that there was a lack of work or the company went out of business. Individuals quit their competitive job because they liked their agency job better or did not like the job and/or the hours of the competitive job. Of those that were fired the reasons cited most often include inappropriate social behavior or poor performance and low productivity. [Ref. 41: p. 68-69]

The success that an agency has in placing individuals in competitive jobs may be related to the individual's interest in obtaining a competitive job. During the study, JWOD employees were asked if they were interested in leaving the agency and obtaining competitive employment. Nearly one-half (49.5%) responded that they were comfortable with their JWOD employment while 47.7% indicated that they were interested in obtaining competitive employment. [Ref. 41: p. 71]

g. Residential Living Arrangements

The study also examined the living arrangements of JWOD employees. The study found that most JWOD employees live with relatives. It was found that of those employees that live with relatives (36.1% of the JWOD population), they reside with parent(s), grandparent(s), sibling(s), or other relative(s). Another 19.7% of the JWOD population live with their spouse and/or children. [Ref. 41: p. 79]

The study also found that 30% of the JWOD employees had changed to a more independent living arrangement since becoming a JWOD employee. Some employees have moved from living with parents or other family members to living with their spouse and/or children. Others have moved from living in a nursing home to living with relatives or a roommate. This change in living arrangements may be an indicator that being associated with a JWOD agency helps to promote

independence of the people in the Program. [Ref. 41: p. 79-81]

2. Implications of the Study

This study has provided a tremendous amount of information about the people who work on JWOD contracts. This information should be useful to the Committee, NIB, NISH, and the nonprofit agencies in the Program. The Committee thinks that these data will be helpful as they interact with various Federal agencies in their continued efforts to promote training and employment opportunities for the people in the JWOD Program. [Ref. 35: p. 7]

The study has also shown that the JWOD Program is indeed providing benefits to the individuals it is serving. For example, the JWOD Program has provided training and employment to many individuals who were previously unemployed and these individuals are now making a contribution to society. In many cases these individuals are making higher wages or have the potential to make higher wages under JWOD than was previously possible. Also, the Federal Government is paying fewer benefits to people who are in the JWOD Program. There are also indicators that the JWOD Program can help to foster more independence among its employees, particularly in the area of living arrangements. [Ref. 35: p. 7]

G. SUMMARY

This chapter has reviewed the responsibilities of NIB and NISH, the two central nonprofit agencies designated by the Committee to represent nonprofit agencies for the blind and agencies that employ people with severe handicaps. NIB and NISH act as advocates for the JWOD Program and actively seek to increase employment and training opportunities for blind and other severely disabled people. They also assist in making additions to the Procurement List, perform the allocation process for orders, ensure nonprofit agency compliance with orders, and grant purchase exceptions. A description of the NIB and NISH organizational structures was presented along with a discussion of how NIB and NISH can provide assistance to nonprofit agencies.

This chapter also presented a brief discussion of the nonprofit agencies and some of the types of products and services these agencies provide. There was a presentation of Fiscal Year 1992 sales data for the JWOD Program.

The chapter concluded with the results of a study that presented a demographic profile of the JWOD population. The survey provided a vast amount of information that should be helpful to the Committee, NIB, NISH, nonprofit agencies, and Federal agencies as they work to meet the objectives of the JWOD Program.

The next chapter will provide information that will describe how modifications are made to the Procurement List,

how the fair market price is determined for added items and how repricing is conducted.

IV. THE JAVITS-WAGNER-O'DAY PROCESS

A. INTRODUCTION

This chapter provides information that will describe in detail how additions are made to the Procurement List and how the fair market prices are determined. This discussion will present what the Committee describes as the JWOD Process. This process provides a framework to describe the actions that take place from identifying a potential item for the Procurement List until it is placed into production or the service is performed. The JWOD process is divided into four phases: (1) Identification, (2) Development, (3) Committee Review/Decision, (4) Production/Performance.

B. THE IDENTIFICATION PHASE

There are a variety of ways that potential products or services can be identified for addition to the Procurement List. The identification is largely a result of the work of the Committee's staff, NIB, or NISH and their interaction with the Federal agencies and the nonprofit organizations. The Federal agency representatives have a clear understanding of their requirements and the nonprofit agencies know their capabilities. Matching requirements and capabilities is the work of NIB, NISH and the Committee. [Ref. 10: p. 10]

There are different ways that the groups mentioned above can work together to accomplish the identification of products and services. For example, the Committee's staff and/or NIB/NISH can conduct information briefings for various Federal agencies. These briefings can identify products and services that have been successfully provided to the Government by NIB/NISH. Together with briefings, Government personnel can tour local nonprofit agencies to see first hand the capabilities of the employees and get an idea of the quality of the work being performed. [Ref. 10: p. 10] Contracting personnel and other Federal employees can attend national training conferences sponsored by NIB and NISH to obtain further information about the JWOD Program. [Ref. 10: p. 11]

Government personnel can check with the Committee, NIB, or NISH to see what types of products or services are currently being provided by nonprofit agencies. Recognition of similar projects or items with similar capabilities already being provided may result in the identification of a new product or service that could satisfy an unfulfilled requirement. [Ref. 10: p. 11]

The identification of potential products and services can occur when the various agencies work together. NIB and NISH technical staff can work with Government research and development agencies to design products that can satisfy Government requirements. [Ref. 10: p. 11]

NIB/NISH and the local nonprofit agencies can use the Commerce Business Daily to search for leads for potential products or services. NIB/NISH personnel and representatives of local nonprofit agencies conduct visits to local military installations as another method to obtain leads on potential products or services. [Ref. 10: p. 11]

After a commodity or service has been identified, it will be reserved by NIB or NISH for a qualified nonprofit agency that has the capabilities to provide that commodity or service. If NIB has reserved a particular commodity or service, then NISH can't pursue development of the same commodity or service and vice-versa. [Ref. 10: p. 12]

C. THE DEVELOPMENT PHASE

After identification, it is necessary to determine if it is feasible for a nonprofit agency to provide the commodity or service. During this phase, a great deal of information will be gathered to determine feasibility. This information gathering will involve the nonprofit agency, NIB or NISH, and the contracting activity. [Ref. 10: 12]

1. Contract Information

During the identification phase, commodities or services may have been identified that contracting agencies are currently procuring from sources other than NIB/NISH. As part of the process of adding these items to the Procurement List, NIB or NISH will obtain information from the contracting

activity. This information will include procurement history, estimated annual usage quantities, statement of work, and Wage Determination Rates. [Ref. 10: p. 12]

This review of current requirements is an essential part of the process of matching Government requirements to nonprofit agency capabilities. With the review, NIB/NISH can decide what production or service process is necessary. It will identify the labor, material, and facilities requirements. The review will also identify what quality assurance requirements will be needed for the nonprofit agency to produce the commodity or provide the service. [Ref. 10: p. 12]

The issue of timing is important when adding items to the Procurement List. There should be a smooth transition from the contractors that are currently providing commodities or services to the nonprofit agencies that will be providing them. There should be enough time to complete the process of adding an item to the Procurement List before a new contract for that item is awarded. [Ref. 10: p. 12]

The objective is to give NIB/NISH, the nonprofit agency, and the contracting activity enough time to prepare for the nonprofit agency's assumption of responsibility to provide the commodity or service. If sufficient time is not available for the addition process to be completed, then development efforts will be delayed until after a new competitive award has been made. [Ref. 10: p. 12-13]

It is also important to find out what the Government's future requirements are for the commodity or service. This is necessary to see if the nonprofit agency can meet the Government's requirements in the future. Also, if the Government is planning to reduce or eliminate the requirement this will affect the employment of people working in the nonprofit agency. [Ref. 10: p. 13]

2. Clearance for Development

As was stated in Chapter II, the Federal Prison Industries are the first mandatory source of commodities for the Federal Government. NIB is the second priority while NISH is the third priority for commodities.

Before the development phase for a commodity can proceed, clearance must be obtained. Seeking the clearance is the formal process of asking permission to develop the commodity. NIB has to obtain a clearance from FPI and NISH has to get a clearance from both NIB and FPI. [Ref. 10: p. 13] The clearance may provide a complete waiver of future claims to produce the commodity or it may be a short-term waiver. FPI may grant a waiver to NIB/NISH until FPI is ready to produce the commodity. [Ref. 10: p. 13]

3. Procurement History of the Commodity or Service

NIB or NISH will conduct a review of the procurement history of the commodity or service. To complete this review, NIB/NISH will obtain from the contracting activity the

following items: Invitation for Bid information, dates of solicitations, award dates, contract terms, delivery periods, awardee names, and award prices and quantities. NIB/NISH will also ask for information regarding any problem areas that prior contractors had in providing the product or service. [Ref. 10: p. 14]

With all of this information, NIB/NISH will conduct a preliminary assessment of the potential for severe adverse economic impact upon the current contractor if the item is added to the Procurement List. Adverse economic impact is viewed as the level of impact that would weaken the business base of a firm so that its viability could be jeopardized. An item will not be added to the Procurement List if it will have an adverse economic impact on the current or most recent contractor. [Ref. 10: p. 30] Although the final decision on contractor impact is made by the Committee, NIB/NISH conducts the preliminary assessment to make sure efforts are not wasted on development if the impact will be severe. [Ref. 10: p. 14]

Special attention will be paid to contractors in the Small Business Administration's 8(a) program who are providing items on the Procurement List. Even though the JWOD Program has priority over the 8(a) program, special consideration will be given to contracts awarded under 8(a) to avoid potential harm to the 8(a) contractors. [Ref. 10: p. 14]

4. Fair Market Price

The Committee is responsible for establishing the fair market prices for commodities and services that are provided by nonprofit agencies. NIB/NISH will use the Committee's procedures to develop a recommended fair market price. The recommended fair market price will be submitted to the Committee staff for their review. The Committee will make the final determination of the price at the time the item is placed on the Procurement List. [Ref. 10: p. 14] The procedures for pricing commodities and services are shown below.

a. Pricing Commodities

If a commodity has recently been procured by the Federal Government from commercial contractors, the initial price will be the median of the bids for that commodity (which is not greater than 35% above the award price) or the award price increased by 5%, whichever is greater. If a commodity has not been recently procured by the Federal Government, then bids for comparable commodities will be evaluated to determine the fair market price. [Ref. 12]

There are cases where comparable items have not been procured before. Commercial prices will be used for evaluation if no comparable commodities have been procured. If the workshop's costs are significantly different from the price of comparable commodities being procured or commercially

produced items, then the workshop's costs will be used to determine the initial price. [Ref. 12]

For commodities valued at \$50,000 or more, the Committee will revise the price on a semiannual basis. The revised prices will reflect changes in the U.S. Department of Labor Producer Price Index. The price may be further adjusted if changes in nonprofit agency costs are not covered by the adjustment for the producer price index. Adjustments can also be made if the contracting activity feels the price established by the producer price index is not a fair price. [Ref. 10: p. 33]

b. Pricing Services

The procedures for computing the initial prices for services are as follows. The initial price for a service that is currently being procured on a competitive basis, will be the median of the bids on the most recent solicitation. The bids used in this calculation will not be greater than 35% of the award price or the award price plus 5%, whichever is greater. The initial price for a service not being competitively procured by the Government, will be based on the work center's cost to provide the service. [Ref. 12]

For services valued at \$150,000 or more, the Committee will determine a base price plus four annual follow-on prices. Adjustments will be made for changes in wages and fringe benefits reflected by Wage Determination Rates, supply

costs and payroll related costs. If changes occur in the statement of work, the change in price will be negotiated between the contracting activity and the nonprofit agency. NIB/NISH can provide advisory assistance during the negotiations. [Ref. 10: p. 20]

c. Pricing Small Value Items

Small value items are commodities that have an annual value of less than \$50,000 or services with an annual value of less than \$150,000. The initial fair market price for commodities and services will be directly negotiated between the nonprofit agency and the contracting activity. The Committee will review and approve the initial price. Subsequent price adjustments will be accomplished through direct negotiations between the contracting activity and the nonprofit agency. The Committee will only review subsequent price changes if the parties can not agree on a price. NIB/NISH can provide advisory assistance during these negotiations. [Ref. 10: p. 19]

5. Assessment of Feasibility

After the actions required in the previous sections have been completed, NIB/NISH will make a final assessment of the feasibility of adding the commodity or service to the Procurement List. This will involve an examination of the Government's requirements and a thorough look at the nonprofit agency's capabilities. NIB/NISH may visit the nonprofit

agency as part of its assessment. If NIB/NISH is satisfied that the nonprofit agency can provide the commodity or service to satisfy the Government's quality requirements and meet delivery schedules at a fair market price, then the development phase will continue. [Ref. 10: p. 14-15]

In proposing the addition to the Procurement List, a final package will be submitted to the Committee for their review. The package will include information on nonprofit agency costs (materials, wages, equipment) and the number of direct labor hours to be performed by people who are blind or have other severe disabilities. Some projects may require time to train and phase in workers with severe disabilities. Information on the training and phase-in schedule will also be included. [Ref. 10: p. 15]

D. The Decision Phase

The Committee staff will begin its review of the proposed addition. It will start with a review of the package submitted by NIB/NISH. This will include a review of the proposed fair market price and the methods and data used to calculate it. The Committee staff will also look at the impact of the addition on the current or most recent supplier of the commodity or service. [Ref. 10: p. 15]

1. Site Survey

In order for the Committee to make its final decision on the proposed addition, there are other actions that must be

taken. One of these actions is a site survey of the nonprofit agency that would be providing the commodity or service. NIB/NISH will submit a request for the survey as a part of the final package submitted during the development phase. [Ref. 10: p. 15]

The Committee will give the contracting activity the opportunity to conduct the site survey. The purpose of the site survey is to give the Government the opportunity to examine the nonprofit agency's capabilities. The site survey would look at areas such as the nonprofit agency's financial status, production, quality control, and technical approach. The contracting activity has forty-five days to complete the survey, but it can waive the opportunity to conduct the site survey if it agrees with NIB/NISH's assessment that the nonprofit agency is capable of providing the commodity or service. [Ref. 10: p. 15]

2. Publish Proposed Addition

A notice of the proposed addition will be published in the Federal Register. This will allow interested parties the opportunity to comment on the proposed addition. The comment period is thirty days. If commercial businesses feel that this proposed addition will have an adverse impact on their operations, this is their opportunity to make their concerns known to the Committee. [Ref. 10: p. 16]

3. Complete the Analysis

During the 30-day period in which the notice is in the Federal Register, the Committee staff will continue its analysis. This will include an analysis of pricing and the results of the site survey. When the 30-day period for comments has expired, the Committee staff will complete its analysis. The analysis and information concerning the item, including any comments received, will be given to all members of the Committee for their decision on the addition. [Ref. 10: p. 16]

4. Announcement of the Decision

The Committee members will decide if the proposed commodity or service should be added to the Procurement List. If the decision is to add the item to the Procurement List, then a notice of the addition will be placed in the Federal Register. A notice will also be sent to the contracting activity that will identify the commodity or service and the its price. [Ref. 10: p. 16]

The effective date of the addition is thirty days after the notice is placed in the Federal Register. Then the nonprofit agency authorized to provide the item, will be responsible for satisfying any future Government requirements. [Ref. 10: p. 16]

The time from commodity or service identification to the announcement that the item is on the Procurement List will

be approximately six to nine months. However, this time can vary given the complexity of the commodity or service and the degree of assistance from the contracting activity in providing necessary contract information. [Ref. 10: p. 17]

E. The Production/Performance Phase

The final phase is the production or performance phase. Within thirty days after the item has been added to the Procurement List, NIB/NISH will contact the contracting activity to find out when the next order quantity will be required. This gives the nonprofit agency some planning time to assume the responsibility for providing the commodity or service. NIB/NISH and the nonprofit agency will continue to maintain close contact with the contracting activity to ensure that the customer is satisfied. [Ref. 10: p. 17]

NIB/NISH will play key roles during this phase. As was mentioned in Chapter III, the central nonprofit agencies are responsible for the direct order authorizations, the allocation process for orders and ensuring that the nonprofit agencies meet the requirements of the JWOD Act, and Federal Regulations. NIB/NISH are also available to provide assistance to nonprofit agencies should problems arise during the production/performance phase.

F. Deletion of Items from the Procurement List

There may be occasions when a nonprofit agency's performance in providing a product or service may be unsatisfactory. When this occurs, the responsible central nonprofit agency will attempt to find another affiliated nonprofit agency that can provide the product or service. [Ref. 46: subpart 51-6.8]

If there is no nonprofit agency that is willing or capable of providing the item, then the responsible central nonprofit agency will request that the Committee delete the item from the Procurement List. At this point, the Committee will check with the other central nonprofit agency to find out if any of their affiliated nonprofit agencies are willing and capable of providing the item. If there are no willing or capable nonprofit agencies affiliated with NIB or NISH, then the item will be dropped from the Procurement List. [Ref. 46: subpart 51-6.8]

There are certain requirements that must be met before a nonprofit agency is relieved from its responsibility for providing a product or service. If a nonprofit agency is providing a commodity, then the normal procedure is for the nonprofit agency to complete any orders on hand. In the area of services, the nonprofit agency must give the contracting activity at least 90 days notice that it intends to stop providing the service. This advance notice is required to

allow the contracting activity enough time to find another source to provide the service. [Ref. 46: subpart 51-6.8]

G. Summary

This chapter has reviewed the process for making additions to the Procurement List. It covered the phases of the JWOD Process. Those phases are identification, development, the Committee review/decision and the production/performance phase. The procedures for determining a fair market price were also discussed. The procedures for deleting an item from the Procurement List were also discussed.

The process for making an addition to the Procurement List can be time consuming. However, this process is necessary to ensure that the nonprofit agency has a good understanding of the project and can meet the Government's requirements. The objective is to ensure that the nonprofit agency will be a good supplier for the Government. [Ref. 10: p. 17]

The next chapter will be a presentation and analysis of the data that was obtained from the research. This chapter will form the basis for conclusions and recommendations.

V. DATA PRESENTATION AND ANALYSIS

A. INTRODUCTION

A survey was sent to 64 Department of the Army field contracting activities. These activities were selected from the Army Contacting and Management Data List, dated April 1993. The activities selected were from the Forces Command, the Training and Doctrine Command, the Health Services Command, and the U.S. Army Corps of Engineers.

Forty activities returned the survey which was a 62.5% return rate. Not all of the respondents answered all of the questions. The number of respondents per question is noted, where applicable, with the analysis of the corresponding question. The survey consisted of 21 questions and was addressed by name to the Director of Contracting at each contracting activity.

Questions as they appeared on the survey are presented followed by consolidated responses for each question. A discussion and analysis of the answers to each question is included after each response.

B. SYNOPSIS OF QUESTIONS, ANSWERS, DISCUSSIONS, AND ANALYSES

1. Question One

The intent of Question One was to determine what was the contracting activities best source of information about the JWOD Program. Question One is below:

What is your best source of information about how the JWOD program works?

Committee for Purchase from the Blind and Other Severely Handicapped (CPBOSH) staff and their publications_____

National Industries for the Blind (NIB)/National Industries for the Severely Handicapped (NISH) staff, publication, and training conferences_____

In-house procurement training classes and conferences_____

Federal Acquisition Regulation (FAR) or Code of Federal Regulations (CFR)_____

In-house publications or correspondence_____

Other_____ (Please specify)_____

a. Discussion

Forty (40) activities answered this question. Some activities selected more than one response for this question. Twelve respondents selected the Committee, nineteen selected NIB/NISH, one selected in-house training, twenty selected the FAR/CFR, one selected in-house publications and four selected other. The four responses in the other category are as follows; combination of all the sources, local nonprofit agency, NISH representatives, guidance from the Health Services Command. The number of sources selected totaled 56, even though only 40 surveys were returned. The researcher intended for the respondents to select only one source of

information as their best source. However, several respondents selected more than one source.

b. Analysis

The research indicates that a contracting activity's best source of information about how the JWOD Program works is from external organizations or regulations. The extremely low response to in-house training classes and conferences and in-house publications or correspondence, supports the idea that external sources are the best source of information.

The selection of NIB/NISH by 19 activities as their best source of information indicates that the central nonprofit agencies are playing an important role in the JWOD Program. One of their functions is to act as advocates of the Program. Being an advocate certainly includes being a good source of information for a Program.

It would be appropriate to examine some possible reasons why there was such a low response rate to in-house activities. The first reason is that in-house training and education might not be conducted at contracting activities or if it is conducted the quality could be poor. As a result of downsizing (reduction of personnel), contracting activities may have less time to devote to internal training on mandatory source programs. Another possible explanation is that contracting personnel may not have a complete understanding of

the JWOD Program and the regulations in order to conduct effective training.

2. Question Two

Question Two was designed to determine the contracting activities level of knowledge of certain aspects of the JWOD Program for the area of products. Question Two is below:

Indicate your knowledge of the following aspects of the JWOD Program for the area of products, using the scale below:

- 1 = Generally Knowledgeable
- 2 = Somewhat Knowledgeable, but could use more information
- 3 = Not Knowledgeable

- a) What constitutes a "suitable product" (i.e., a product appropriate for set-aside under the JWOD Program)_____
- b) How to recommend products for addition to the Procurement List_____
- c) The procedures for setting aside a product under JWOD_____
- d) How prices for products are determined under JWOD_____
- e) How the JWOD Program (for products) relates to other preferential programs such as Federal Prison Industries, small business, 8(a), and women/minority programs_____
- f) The responsibilities of the CPBOSH in administering the JWOD Program_____
- g) The role of NIB and NISH_____

a. Discussion

The responses for Question Two were tabulated and percentages were computed for each response. The results are presented for Question Two in Table I below:

Table I LEVEL OF KNOWLEDGE OF JWOD PRODUCTS

Question	Generally Knowledgeable	Somewhat Knowledgeable Information Needed	Not Knowledgeable
Suitable Product	67.5%	12.5%	20%
Recommend Products	42.5%	30%	27.5%
Set Aside Procedure	60%	30%	10%
Pricing Products	45%	27.5%	27.5%
JWOD and Other Programs	62.5%	30%	7.5%
CPBOSH Role	42.5%	40%	17.5%
NIB/NISH Role	62.5%	32.5%	5%

Source: Developed by Researcher

b. Analysis

The data from Question Two show mixed results concerning the level of knowledge among contracting activities in the area of products. For example, 67.5% of the respondents said they were knowledgeable of what a suitable product was and 60% were knowledgeable of the procedures to set aside the product. Therefore, one would expect the contracting activities to be knowledgeable of the procedures to recommend a product for the Procurement List and be knowledgeable of the pricing procedures. However, the survey results showed that less than one-half (42.5%) were knowledgeable of the procedures for recommending products and

only 45% of the respondents were knowledgeable of pricing procedures. These inconsistencies could be the result of a lack of a complete understanding of the detailed procedures of recommending products and conducting pricing. The respondents may have a general understanding of the Program as it relates to products but may be lacking in knowledge concerning some of the more detailed aspects of the Program.

The respondents also showed that there was a higher degree of understanding of the role of NIB/NISH than there was with the Committee. This is to be expected since NIB/NISH are advocates of the Program and their representatives are making contacts with contracting activities through telephone calls, office visits and conferences. However, it is important for the contracting activities to have a good understanding of the role of the Committee, especially in the area of setting aside products.

The data for how the JWOD Program relates to other preferential programs indicate that the respondents understand the mandatory source priorities for products.

3. Question Three

Question Three was designed to determine the contracting activities level of knowledge of certain aspects of the JWOD Program for the area of services. Question Three is below:

Indicate your knowledge of the following aspects of the JWOD Program for the area of services using the scale below:

- 1 = Generally knowledgeable
- 2 = Somewhat knowledgeable, but could use more information
- 3 = Not knowledgeable

- a) What constitutes a "suitable service" (i.e., a service appropriate for set-aside under the JWOD Program)_____
- b) How to recommend services for addition to the Procurement List_____
- c) The procedures for setting aside a service under JWOD_____
- d) How prices for services are determined under JWOD_____
- e) How the JWOD Program (for services) relates to other preferential programs such as Federal Prison Industries_____
- f) The responsibilities of the CPBOSH_____
- g) The role of NIB and NISH_____

a. Discussion

The responses for Question Three were tabulated and the results are in Table II below:

TABLE II LEVEL OF KNOWLEDGE OF JWOD SERVICES

Question	Generally Knowledgeable	Somewhat Knowledgeable	Not Knowledgeable
Suitable Service	62.5%	25%	12.5%
Recommend Services	57.5%	20%	22.5%
Set Aside	57.5%	25%	17.5
Pricing	42.5%	37.5%	20%
Other Programs	67.5%	25%	7.5%
CPBOSH	45%	37.5%	17.5%
NIB/NISH	70%	22.5%	7.5%

Source: Developed by Researcher

b. Analysis

The data from Question Three indicate that contracting activities have about the same level of knowledge of services as they do with products under the JWOD Program. There was an inconsistency with the knowledge of pricing services, only 42.5% were generally knowledgeable, even though 57.5% were generally knowledgeable with procedures for recommending services and 57.5% were generally knowledgeable with the procedures to set aside a service. This could be the result of a lack knowledge of the detailed procedures in the pricing of services.

When compared to the data from Question Two, there was a difference in the area of recommending additions to the Procurement List. Contracting activities expressed a higher degree of knowledge in the area of recommending services (57.% were generally knowledgeable) than in recommending products (42.5% were generally knowledgeable) for addition to the Procurement List. There are several possibilities that could explain this difference. The majority of NISH's sales is from services and the majority of NIB's sales is from products. The two organizations' structures are also different. NIB has a centralized organization and NISH is decentralized. NISH's decentralized structure with its six regional offices across the nation, enables it to have representatives at various locations that can speak to contracting activities about JWOD

services. Also, the literature has indicated that the area of growth for NIB will be in the service arena. Through the combined efforts of NIB/NISH to promote services, it is reasonable to expect that the contracting activities would be more knowledgeable of the procedures for recommending services than they would for recommending products. This may also explain why 62.5% of the contracting activities were generally knowledgeable of the role of NIB/NISH in the area of products, but 70% of the contracting activities were generally knowledgeable of the role of NIB/NISH in the area of services. It is also possible that the respondents to the survey are more frequent users of JWOD services than they are users of JWOD products.

The respondents also showed that there was a higher degree of understanding of the role of NIB/NISH than there was with the Committee. Again, this is to be expected since NIB/NISH are advocates of the Program and their representatives are making contacts with contracting activities through telephone contact, office visits and conferences. However, it is important for the contracting activities to have a good understanding of the role of the Committee, in the areas of setting aside both services and products.

4. Question Four

Question Four was asked to find out the degree of participation among contracting activities in the area of identifying and submitting potential products and services for addition to the Procurement List. Question Four is below:

Has your contracting activity identified and submitted potential products/services to be considered for addition to the Procurement List? YES NO If yes, please list the products/services that you have submitted within the last two years.

a. Discussion

Seventeen contracting activities (42.5%) had submitted potential products or services for addition to the Procurement List within the last two years and twenty-three (57.5%) had not submitted any recommendations within the last two years. The contracting activities were asked to list the products/services that were submitted as recommendations to the Procurement List. Responses to this question did not include any products that were identified and submitted to be considered for addition to the Procurement List. Some agencies listed more than one service that had been identified and submitted. The services identified will be shown below with the number of activities annotated that identified an identical or similar services:

- Janitorial services [12].
- Grounds maintenance [5].
- Mail distribution [1].
- Inventory control [1].

- Clerical services [1].
- Property book assistant [1].
- Hospital housekeeping [1].

b. Analysis

Over one-half (57.5%) of the respondents have not identified or submitted a product/service for addition to the Procurement List within the last two years. In Questions Two and Three, the contracting activities indicated that they were generally knowledgeable of what suitable products/services were for the JWOD Program. By examining the data in Question Four with the data in Questions Two and Three, it is the researcher's analysis that contracting activities are not actively pursuing new items for addition to the Procurement List. The data in Question Two showed that only 42.5% of the contracting activities were generally knowledgeable of the procedures for recommending products to the Procurement List. This could explain why none of the contracting activities submitted products for the Procurement List. As was mentioned earlier, services is the expected growth area for both NIB/NISH. If the central nonprofit agencies do not push for the addition of products, it is the researcher's observation that the contracting activities will not actively develop products.

5. Question Five

Question Five was a follow on question from Question Four. The purpose of Question Five was to determine the success rate of making additions to the Procurement List. Questions Five (a) and (b) are below:

(a) What were the results of your identification and submission of products/services for the Procurement List? (Please check appropriate response)

- ☐ All were added to the Procurement List
- ☐ Some were added to the Procurement List
- ☐ None were added to the Procurement List

(b) Please explain why your recommended products or services were not added to the Procurement List.

a. Discussion

As was discussed in the previous question, seventeen contracting activities identified and submitted items for the Procurement List. Of those items submitted for addition, eight activities said all of the items were added to the list, six activities said some were added to the Procurement List, and three activities said none of the items they submitted were added to the Procurement List.

Not all of the respondents gave reasons why their items were not added to the Procurement List. Those reasons that were given are shown below with the number of activities annotated that provided the identical or similar reason:

- The dollar value of the proposed service was too small [3].
- No agency within the local area had the expertise to support the requirement [3].

- May cause hardship to current contractor [1].

b. Analysis

Of the 17 activities that identified and submitted items for addition to the Procurement List, 14 activities (82%) had an item added to the Procurement List. This high addition rate indicates that if agencies take the time to identify potential items and work through the process of addition, there is a good chance that the item will be added to the Procurement List. This high addition rate supports the JWOD concept of matching Government requirements to work center capabilities.

The reasons provided to explain why items were not added to the Procurement List also support the concept of matching Government requirements with the capabilities of the nonprofit agency. A service will not be added if the dollar value of the expected requirement is not large enough to cover the nonprofit agency's costs to provide the service. Also, it would not be a good business decision to place an item on the Procurement List if the local nonprofit agency did not have the expertise to adequately perform the service. By keeping these items off the Procurement List, the Committee is avoiding creating possible adversarial relationships between Government contracting activities and nonprofit agencies.

Another reason provided stated that placing the item on the Procurement List could cause hardship to the

current contractor. This agrees with the literature on additions to the Procurement List. The Committee is seeking to avoid creating an adverse economic impact on contractors by placing items on the Procurement List. This also helps to avoid creating an adversarial image with small business and other commercial contractors.

6. Question Six

The purpose of Question Six was to see if the contracting activities believed that the procedures in the regulations were adequate to explain their agency's role in adding an item to the Procurement List. If the contracting activities believed that the procedures were inadequate, they were asked to explain how these procedures should be changed. Question Six is below:

Are the JWOD procurement procedures in the FAR and CFR adequate to explain your agency's role in adding an item to the Procurement List?

Yes____ No____ Am not familiar with the FAR/CFR JWOD procedures____

If no how should these procedures be changed? Please explain_____

a. Discussion

Twenty-two (55%) of the respondents to the survey answered that the FAR and CFR were adequate to explain their agency's role in adding an item to the Procurement List. Thirteen respondents (32.5%) answered that the procedures were not adequate while five (12.5%) answered they were not

familiar with the procedures in the FAR and CFR for adding items to the Procurement List.

For those that answered no, they were asked to provide comments to describe how the procedures should be changed. Ten comments were provided and similar responses were combined with the number of similar responses annotated. Those comments are listed below:

- Need more explanations of procedures [3].
- More details are needed [1].
- Not enough detail in FAR, but NISH representative explained procedures [1].
- Regulations are confusing [1].
- Additional guidance is needed [1].
- The format for recommending additions should be explained [1].
- FAR needs to have a section in Part 8 that deals with JWOD and all relevant information pertaining to acquiring services [1].

b. Analysis

Just over one-half of the respondents said the procedures in the FAR and CFR were adequate to explain their agency's role in adding items to the Procurement List. This is consistent with Question One where twenty respondents listed the FAR and CFR as their best source of information on the JWOD Program. Clearly, these activities feel that the FAR and CFR provide adequate explanations of the addition

procedure to enable them to go through the process of adding an item to the Procurement List.

However, almost one-third (32.5%) do not think the FAR and CFR are adequate and another 12.5% are not familiar with the procedures in the FAR and CFR. It is the researcher's conclusion that the procedures in the FAR are inadequate to explain the contracting agency's role in adding items to the Procurement List. FAR Subpart 8.7 does not provide detailed procedures to describe the contracting agency's role in making additions to the Procurement List. The CFR Part 51 does go into more detail on the addition process but the procedures are spread out over several different sections of the regulation and it can be confusing. Also, the FAR does not mention that Federal entities and employees are encouraged to make recommendations to the Committee concerning items that could be added to the Procurement List.

7. Question Seven

Question Seven was to see if the contracting activities understood the process of setting aside items for the Procurement List. Question Seven is below:

(a) How would you describe the process for setting aside services under the JWOD Program?

Easily understood____ Somewhat difficult to understand____

Very difficult to understand____

Please explain_____

(b) How would you describe the process for setting aside products under the JWOD Program?

Easily understood____ Somewhat difficult to understand____

Very difficult to understand____

Please explain_____

a. Discussion

Question 7 asked the contracting activities to describe the process for setting aside services and products under the JWOD Program. This section will present the results of Question 7 (a) first, followed by the presentation of the data from Question 7 (b).

(1) *Discussion Question 7 (a).* For question 7 (a), 20 of the activities (50%) found the procedures for setting aside services to be easily understood, 15 activities (37.5%) found the procedures to be somewhat difficult, two of the activities (5%) found the procedures to be very difficult, and three of the activities (7.5%) did not comment.

The contracting activities were asked to explain their comments. Twenty-three activities provided comments. Those comments have been modified and condensed to combine identical or similar responses. The responses are listed below with the number of similar responses annotated:

- FAR does not provide adequate guidance [6].
- The process is too complicated [5].
- The process is easily understood [4].

- The process takes too long [2].
- NIB/NISH provide sufficient guidance [2].
- Terms get convoluted when using NIB, NISH, JWOD [1].
- What is the priority, before or after small disadvantaged business [1]?
- A JWOD contract can only replace a contract if there has been a termination of the previous or current contractor [1].
- Information not readily available [1].

(2) *Discussion Question 7 (b)*. For question 7 (b), 14 of the activities (35%) found the procedures for setting aside products to be easily understood, 15 activities (37.5%) found the procedures to be somewhat difficult, two activities (5%) found the procedures to be very difficult, and eight activities (20%) did not comment.

The contracting activities were asked to explain their comments. Seventeen activities provided comments. Those comments have been modified and condensed to combine identical or similar responses. The responses are listed below with the number of similar responses annotated:

- Have had no experience with setting aside products [6].
- Procedures are easy to follow [4].
- Lack of information, additional guidance required [3].
- Do not understand the roles and the relationships of all of the players [2].
- Regulations confusing [1].
- NIB/NISH carry most of the load in getting an item set aside [1].

b. Analysis

The data show that 50% of the contracting activities find the process for setting aside services to be easily understood while only 35% of the contracting activities find the process for setting aside products to be easily understood. The activities surveyed may be more experienced in the area of setting aside services than they are in setting aside products. This is supported by the fact that 20% of the activities did not respond to the question asking them to describe the process for setting aside products. Also, six of the contracting activities responded that they have had no experience in setting aside products.

Even though 50% found the process for setting aside services easy to understand, 42.5% of the contracting activities found the process to be somewhat difficult or very difficult to understand. The explanations provided by the contracting activities point to a complicated process that has inadequate guidance in the FAR. This is consistent with the views expressed in Question Six regarding the adequacy of the FAR and CFR.

With 42.5% of the contracting activities finding the process for setting aside products to be somewhat or very difficult to understand, the respondents pointed to the need for additional guidance and clarification of roles and responsibilities of the key agencies involved in the set aside process. The education or training process among contracting

activities for setting aside services and products appears to be deficient.

There were also a number of comments that stated the processes for setting aside services and products were easy to understand. This can be the result of the assistance provided by NIB/NISH. Also, a growth in experience could have occurred. The more times a contracting activity goes through a process, they should gain more experience with the procedures.

8. Question Eight

Question Eight was asked to get the contracting activities' view of the time that it takes to set aside an item for the Procurement List. Question Eight is below:

(a) How would you describe the processing time for setting aside services under the JWOD Program?

Reasonable____ Somewhat Lengthy____ Excessive____

Please explain_____

(b) How would you describe the processing time for setting aside products under the JWOD Program?

Reasonable____ Somewhat Lengthy____ Excessive____

Please explain_____

a. Discussion

This question asked the contracting activities to describe the processing time for setting aside services and products. This section will present the results of Question

8 (a) first, followed by the presentation of the data from Question 8 (b).

(1) *Discussion of Question 8 (a).* Question 8 (a) asked the contracting activities to describe the processing time for setting aside services. Eight of the contracting activities (20%) said the processing time was reasonable, 19 of the contracting activities (47.5%) said the processing time was somewhat lengthy, and five of the contracting activities (12.5%) said the time was excessive. The remaining eight activities wrote in their own responses. Three stated they had no experience with the processing times for services and five stated they did not know.

The contracting activities were asked to explain their comments. Fifteen activities provided comments. Those comments have been modified and condensed to combine identical or similar responses. The responses are listed below with the number of similar responses annotated:

- Getting a cost proposal takes too long [5].
- Placing the required announcements in the Federal Register adds to the time length [3].
- The process proceeded in a reasonable time [3].
- Necessary coordination required between the contracting activity and representatives of NIB/NISH and the workshops adds to the time [1].
- Must wait for Committee to meet [1].
- Too much processing time for analysis and notification, normally 2-3 months [1].

- Need more guidance, the regulations are confusing [1].

(2) *Discussion Question 8 (b)*. Question 8 (b) asked the contracting activities to describe the processing time for setting aside products. Seven of the contracting activities (17.5%) said the processing time was reasonable, 16 of the contracting activities (40%) said the processing time was somewhat lengthy, and four of the contracting activities (10%) said the time was excessive. Of the remaining activities, eight did not supply a response and the remaining six wrote in their own responses. Those responses were "did not know" (3) or "unknown" (3).

The contracting activities were asked to explain their comments. Seven activities provided comments. Those comments have been modified and condensed to combine identical or similar responses. The responses are listed below with the number of similar responses annotated:

- The necessary coordination adds time [2].
- Must wait for Committee approval [2].
- The process is confusing [1].
- Excessive, based on comments from other agencies [1].
- Reasonable, "only because I am use to the Government" [1].

b. Analysis

This section will combine the analysis for Questions 8 (a) and 8 (b). Based on the results of Question 8 (a), it appears that the contracting activities believe the

processing times for setting aside services and products are not reasonable. This is consistent with the information the researcher has found in interviews with NISH officials. Their experience concerning processing time for services and products (from identification through Committee approval) has been lengthy and could easily exceed the Committee's estimates of six to nine months. In a review of Committee publications, comments were made that the processing times for setting aside items could vary considerably from the six to nine month time frame.

The contracting activities indicated that getting a cost proposal from the nonprofit agencies takes too long. Through interviews with NISH officials, the researcher has found that many of the heads of the local nonprofit agencies have rehabilitation backgrounds and are not familiar with contracting with the Federal Government. Without a business background or experience in Government contracting it is reasonable to expect these agencies to be slow in preparing proposals. To compound this problem, the typical Government requirement often has detailed and excessive specifications. Often, it is time consuming for experienced commercial contractors to fully understand Government specifications and develop proposals to meet Government requirements.

The requirements imposed by the regulations also add to the processing time. The required notices in the Federal Register add two 30 day periods to the process. This

applies to both services and products. Responses for Questions 8 (a) and 8 (b) also indicated that Committee approval could be lengthy. During interviews with NISH, the researcher found that Committee approval actions (actions after the identification and development phases) can run as long as 4-6 to months.

9. Question Nine

Question Nine was asked to determine if the contracting activities were complying with the requirements of the law to check for the availability of JWOD products and services before looking to commercial sources. Question Nine is below:

In general, do you check the Procurement List for the availability of JWOD products/services?

Always check___ Frequently check___ Never check___

a. Discussion

For Question Nine, five of the contracting activities (12.5%) responded they always checked the Procurement List for the availability of JWOD products and services, twenty-seven (67.5%) said they frequently checked and five (12.5%) said they never check the Procurement List for the availability of JWOD products and services. Three contracting activities (7.5%) provided their own responses. Those responses were: rarely, sometimes, and only check the Federal Register for additions to the Procurement List.

b. Analysis

The results of this question are not what the researcher expected. The researcher expected the majority of the contracting activities to answer that they always check the Procurement List for the availability of Products and services since the nonprofit agencies are a mandatory source. Contracting activities are required by the FAR to check for the availability of products and services from the mandatory sources before using commercial sources to meet requirements. However, these data indicate that contracting activities are generally checking for availability of JWOD products and services by the fact that 67.5% of the activities frequently check the Procurement List. A problem does exist in that 20% of the activities never check the Procurement List or they check it on a less than frequent basis. This could indicate that these activities do not have a clear understanding of the requirements in the FAR regarding mandatory sources or they ignore the mandatory sources and meet requirements using commercial sources.

10. Question Ten

Question Ten asked the contracting activities to rate the nonprofit agencies' capabilities in certain areas regarding products and services. Question Ten is below:

(a) Rate each of the following statements as it pertains to the products your agency purchases under the JWOD Program.

1 = Excellent, 2 = Acceptable, 3 = Poor, 4 = Do not know

- a) Quality of work____
- b) On-time delivery____
- c) Price____
- d) Stable contracting source____
- e) Repricing procedures____

(b) Rate each of the following statements as it pertains to the services your agency purchases under the JWOD Program.

1 = Excellent, 2 = Acceptable, 3 = Poor, 4 = Do not know

- a) Quality of work____
- b) Price____
- c) Stable contracting source____
- d) Repricing procedures____

a. Discussion

The responses for Question Ten were tabulated and percentages were computed for each response. The results are presented for Question Ten (a) in Table III below:

TABLE III LEVEL OF SATISFACTION WITH JWOD PRODUCTS

Question	Excellent	Acceptable	Poor	Do Not Know
Quality	22.5%	40%	0%	47.5%
On-time Delivery	12.5%	32.5%	2.5%	52.5%
Price	12.5%	40%	0%	47.5%
Stable Source	22.5%	22.5%	0%	55%
Repricing	7.5%	20%	0%	72.5%

Source: Developed by Researcher

The results for Question 10 (b) are shown in Table IV below:

TABLE IV LEVEL OF SATISFACTION WITH JWOD SERVICES

Question	Excellent	Acceptable	Poor	Do Not Know
Quality	42.5%	22.5%	0%	35%
Price	25%	35%	5%	35%
Stable Source	40%	22.5%	2.5%	35%
Repricing	12.5%	32.5%	5%	50%

Source: Developed by Researcher

b. Analysis

An analysis of the data reveals that contracting activities generally have a positive impression of JWOD products and services. This discussion will present the analysis concerning products and will be followed by the analysis concerning services.

Over one-half (52.5%) of the contracting activities view the quality of JWOD products as being acceptable or excellent. Also, 52.5% of the contracting activities viewed the price of JWOD products as excellent or acceptable. In the area of on-time delivery, 45% of the contracting activities rated the nonprofit agencies' delivery performance as excellent or satisfactory. One contracting activity rated on-time delivery as poor. Of the contracting activities that responded, 45% rated the nonprofit agencies as a stable contracting source.

In the literature, the Committee promotes on-time delivery, quality, price, and stability as some of the

benefits of using JWOD products. Nonprofit agencies have been producing products for several decades and just like any other contractor they must provide a quality product, on time, at a reasonable price. The extremely low number of responses in the poor category indicates that contracting activities have a favorable impression of JWOD products.

The data on repricing procedures showed that 72.5% of the contracting activities are unfamiliar with repricing procedures. This is consistent with the data found in Question Two where 55% of the contracting activities were not knowledgeable or needed more information on pricing products. The FAR does address repricing but it only states that prices for supplies are adjusted on a semiannual basis. Therefore, it is reasonable to expect a high percentage of respondents to answer "do not know" to this question.

The data for services show that the contracting activities also have a favorable impression of services that they purchase under the JWOD Program in terms of quality, price and as a stable source. The percentages of responses in the poor category are also extremely low as was the case with products. For quality, 65% of the contracting activities rated JWOD services as either excellent or acceptable. For price, 60% of the contracting activities rated the JWOD services as either excellent or acceptable. Also, 62.5% of the contracting activities rated the nonprofit activities as either excellent or acceptable in terms of being a stable

source. These high ratings are somewhat surprising considering that many of the activities providing services are likely to be new to the Program in comparison with the agencies that have been providing these products for several years.

11. Question Eleven

The contracting activities were asked to compare the quality of JWOD products and services with the quality of products and services they receive from other contractors. The intent of the question was to determine if nonprofit agencies provide quality products and services. Question Eleven is below:

(a) How does the quality of the products provided to your agency under the JWOD Program compare with the quality of products provided to you by other contractors?

JWOD products are better____
JWOD products are about the same____
JWOD products are not as good____

(b) How does the quality of the services provided to your agency under the JWOD Program compare with the quality of products provided to you by other contractors?

JWOD services are better____
JWOD services are about the same____
JWOD services are not as good____

a. Discussion

Question 11 asked the contracting activities to compare the quality of products and services provided under the JWOD Program with the quality provided by other

contractors. The results of Question 11 (a) will be presented first, followed by the results of Question 11 (b).

(1) *Discussion Question 11 (a).* For Question 11 (a), contracting activities were asked to compare the quality of JWOD products with the quality of products provided by other contractors. Three of the contracting activities (7.5%) stated that JWOD products were better than those provided by other contractors. Twenty-three of the contracting activities (57.5%) stated that JWOD products were about the same quality as those provided by other contractors. None of the contracting activities stated that JWOD products are not as good as those provided by other contractors. Fourteen of the respondents to the survey did not answer this question.

(2) *Discussion Question 11 (b).* For Question 11 (b), contracting activities were asked to compare the quality of JWOD services with the quality of services provided by other contractors. Six of the contracting activities (15%) stated that the quality of JWOD services was better than the quality of services provided by other contractors. Twenty-two (55%) stated that JWOD services were about the same quality as those provided by other contractors. One contracting activity (2.5%) stated that JWOD services are not as good as those provided by other contractors. Eleven of the contracting activities did not answer this question.

b. Analysis

The results of these data indicate that contracting activities consider the quality of JWOD products and services to be just as good as those provided by any other contractor. As was stated previously, the Government expects the nonprofit agencies to provide quality products and services just like any other contractor. To meet Government requirements, the researcher would not expect that nonprofit agencies would try to provide better products and services than other contractors. One would expect a mandatory source to provide a product that, in terms of quality, is just as good but not necessarily better than any other source. The literature states that the JWOD employees have a high degree of pride in their work. Therefore, one would expect that they would provide quality products and services. The data for products and services indicate that the nonprofit agencies are indeed providing products and services that are just as good as those from any other contractor.

12. Question Twelve

The intent of Question Twelve is to determine if nonprofit agencies are as responsive as other contractors. Question Twelve is below:

(a) How would you characterize the responsiveness of the workshop(s) that provide JWOD products to your agency?

Generally more responsive than other contractors____
About as responsive as other contractors____
Generally less responsive than other contractors____

(b) How would you characterize the responsiveness of the workshop(s) that provide JWOD services to your agency?

Generally more responsive than other contractors____
About as responsive as other contractors____
Generally less responsive than other contractors____

a. Discussion

Question 12 asked the contracting activities to compare the responsiveness of workshops that provide products and services under the JWOD Program with the responsiveness of other contractors. The results of Question 12 (a) will be presented first, followed by Question 12 (b).

(1) *Discussion Question 12 (a).* For Question 12 (a) contracting activities compared the responsiveness of JWOD agencies that provide products to the responsiveness of other contractors. Seven of the contracting activities (17.5%) stated that workshops were generally more responsive than other contractors. Eighteen contracting activities (45%) stated that workshops were about as responsive as other contractors and one contracting activity (2.5%) stated that the workshops were less responsive than other contractors. Fourteen of the respondents did not answer this question.

(2) *Discussion Question 12 (b).* For Question 12 (b) contracting activities compared the responsiveness of JWOD agencies that provide services to the responsiveness of other contractors. Eleven of the contracting activities (27.5%) stated that workshops were generally more responsive than

other contractors. Seventeen contracting activities (45%) stated that workshops were about as responsive as other contractors and one contracting activity (2.5%) stated that the workshops were less responsive than other contractors. Eleven of the respondents did not answer this question.

b. Analysis

An analysis of these data indicate that contracting activities believe nonprofit agencies are about as responsive or generally more responsive than other contractors. This is consistent with the Committee's views expressed in the literature that nonprofit agencies can provide products or services that will meet the Government's requirements in terms of quality, price, and be delivered or performed on time. If a nonprofit agency or any other contractor could not meet these conditions, then they would not be responsive. The extremely low percentage of contracting activities that rated JWOD agencies as being generally less responsive than other contractors supports the view that JWOD agencies are just as responsive as other contractors.

In the category of services, a high percentage (27.5%) of contracting activities rated the work centers as being generally more responsive than other contractors. This is consistent with the results of Question Ten (b) where the nonprofit agencies received high ratings for their services in terms of quality and being a stable contracting source.

13. Question Thirteen

The intent of Question Thirteen was to determine if contracting activities believe the Government is getting a good value for the money that is spent to procure JWOD products and services. Question Thirteen is below:

Do you believe that a JWOD contract provides the Government a good value for its money?

Yes_____ No_____

Please explain_____

a. Discussion

For Question Thirteen, twenty-six (65%) of the contracting activities stated that a JWOD contract does provide the Government a good value for its money. Seven (17.5%) of the contracting activities stated that a JWOD contract does not provide the Government with a good value for its money. Another seven activities did not comment on this question.

The contracting activities were asked to provide comments to explain their position. Those comments have been modified and condensed to combine identical or similar responses. The responses are listed below with the number of similar responses annotated:

- Provides blind and handicapped individuals an opportunity to become productive citizens [4].
- Excellent performance/quality [4].

- Government gets a positive return for its investment in the Program [3].
- Responsive to Government's requirements [3].
- Reasonable price [2].
- Better than other contractors, never have to spend time straightening out problems with JWOD [1].
- Willing to do menial labor without expectations of upward mobility and rewards in career or pay [1].
- Prices high compared to open competition [1].
- Additional cost for NISH to supervise contractor [1].
- Requires additional administrative effort [1].
- Price not reasonable [1].
- Adequate workshops not available [1].
- Time consuming [1].

b. Analysis

These data show that almost two-thirds (65%) of the contracting activities believe that a JWOD contract does provide the Government a good value for its money. There were a variety of reasons to support this view. Several of the activities pointed out that the JWOD Program provides blind and other severely handicapped individuals the opportunity to become productive citizens. Other activities stated that the Government was getting a return for its investment. These comments are consistent with the results of the national survey conducted by Research and Evaluation Associates, Inc. Their survey indicated that the JWOD Program was providing these individuals the opportunity to become productive

citizens and to be less dependent upon the Government for help. The national survey also stated that many of these individuals are now making a contribution to the Government in the form of paying income taxes.

Other contracting activities stated that they get excellent performance or quality and that the nonprofit agencies are responsive to the Government's requirements. This is consistent with the results of Questions 11 and 12.

14. Question Fourteen

The intent of Question Fourteen was to determine what problems contracting activities have when they procure products and services from nonprofit organizations. Question Fourteen is below:

(a) What are the top two problems for your contracting activity when you procure JWOD products?

(b) What are the top two problems for your contracting activity when you procure JWOD services?

a. Discussion

The results for Question Fourteen (a) will be presented first, followed by the results for Question Fourteen (b).

(1) *Discussion Question Fourteen (a).* Question Fourteen (a) asked the contracting activities to identify the top two problems for their contracting activity when they procured JWOD products. Twelve of the activities (30%) did not answer this question. Eleven of the contracting

activities (27.5%) stated there were no problems for their contracting activity when procuring JWOD products. Seventeen of the contracting activities (42.5%) listed problems when they procured JWOD items. Those comments have been modified and condensed to combine identical or similar responses. The responses are listed below with the number of similar responses annotated:

- Time span is lengthy to add an item to the Procurement List [7].
- Difficult to match requirements with agency capabilities [3].
- Price is not reasonable [2].
- Difficult to convince users that blind and handicapped can produce quality products [2].
- General lack of knowledge among buyers about the Program [2].
- Don't receive an updated list of products [1].
- Requirements are often not large enough to add item to the Procurement List [1].

(2) *Discussion Question Fourteen (b)*. Question Fourteen (b) asked the contracting activities to identify the top two problems for their contracting activity when they procured JWOD services. Fourteen of the activities (35%) did not answer this question. Ten of the activities (25%) stated they had no problems when procuring JWOD services. Sixteen of the contracting activities (40%) identified problems when procuring JWOD services. Several of the activities identified more than one problem. Those comments have been modified and

condensed to combine identical or similar responses. The responses are listed below with the number of similar responses annotated:

- Adding services to the Procurement List is time consuming [9].
- Price is not always reasonable [4].
- Lack of nonprofit agencies in an area that can meet requirements [2].
- Dollar value of the requirement often is not large enough to place on the Procurement List [2].
- Procedures are not clear [1].
- Not aware of what is offered [1].
- Quality is a little less [1].
- Must convince incumbent and other contractors that JWOD is a mandatory source for services [1].
- Because of the 8(a) program, no contracts are available for JWOD [1].
- Problems with the Department of Labor changing the wage determination rate at the last minute [1].
- Requires additional administrative effort [1].

b. Analysis

This section will present a combined analysis for Questions Fourteen (a) and (b). The major problem identified by contracting activities when they procure JWOD products and services is the time that is required to add an item to the Procurement List. As was discussed in Chapter IV, there are several actions that must be accomplished before an item can be placed on the Procurement List. Those requirements include

obtaining contract information, assessing contractor impact, conducting site surveys, Committee reviews and two separate 30-day periods while notices are published in the Federal Register. This process can become time consuming and easily exceed the Committee's estimate of six to nine months to add an item to the Procurement List.

The comments from contracting activities regarding the length of time it takes to add items to the Procurement List are consistent with the comments found in Questions Eight (a) and (b). For Question Eight (a), 47.5% of the activities found the processing time to be lengthy for setting aside services and 40% of the activities found the processing time to be lengthy for setting aside products.

There is concern among the contracting activities surveyed, that price is not reasonable. These comments occurred more regarding services than in the area of products. One factor that could lead to the potential problem of prices not being reasonable is the cost associated with train-up. If a nonprofit agency has not produced a product or performed a service there will be the initial costs associated with the train-up period. This could result in a higher price than would be found with commercial contracts. As the nonprofit agency continues to provide a service, it should experience a certain amount of learning and become more efficient. As items are repriced, the contracting activity could easily negotiate a lower price with the nonprofit agency.

The comments that price is not always reasonable are inconsistent with the literature regarding prices for JWOD products and service. As was discussed in Chapter IV, the fair market price will be decided by the Committee. Among the factors considered by the Committee are past prices that the Government has paid for the item. If the item has not been previously procured, then the Committee will look at commercial prices for comparable items. The Committee will conduct a detailed analysis to determine a fair market price.

Another comment that was mentioned regarding both products and services was the lack of qualified workshops or the difficulty in matching requirements to agency capabilities. This is a problem for contracting activities looking for sources of supply and the nonprofit agencies looking for business to create employment opportunities. Given that there are differences among nonprofit agencies in terms of their capabilities and financial condition, there may not always be a qualified nonprofit agency that can produce certain products or provide certain services.

From the researcher's point of view, these comments reflect that the JWOD Program is working. It would not be wise for a nonprofit agency to try to provide a service that it does not have the capability to perform. The nonprofit agency would probably suffer financial losses and losses in employment opportunities. Also, the end user would not be served well with a contract from an inadequate supplier. Some

of the agencies commented that the dollar value of the requirements were too small for the item to be placed on the Procurement List. If the dollar value was too small then the agency might not be able to cover its costs. Similar to a buy in, a nonprofit agency might try to secure a contract in hopes of recovering its costs in the future and still be able to provide employment opportunities in the present. Through the matching process, the central nonprofit agencies are able to prevent these problems from occurring.

15. Question Fifteen

The intent of Question Fifteen was to determine what problems end-users would have with using JWOD products and services. Question Fifteen is below:

(a) In your opinion, what are (or would be) the top two problems for your customers in using JWOD products?

(b) In your opinion, what are (or would be) the top two problems for your customers in using JWOD services?

a. Discussion

The results for Question Fifteen (a) will be presented first, followed by the results for Question Fifteen (b).

(1) *Discussion Question Fifteen (a).* Contracting activities were asked to identify what are (or would be) the top two problems for their customers when using JWOD products. Fifteen of the contracting activities (37.5%) did not answer

this question. Fourteen of the contracting activities (35%) stated there were no problems for their customers when using JWOD products. Eleven of the contracting activities (27.5%) provided comments on problems their customers have (or would have) when using JWOD products. Those comments have been modified and condensed to combine identical or similar responses. The responses are listed below with the number of similar responses annotated:

- Processing time is lengthy to add products to the Procurement List [3].
- Lack of understanding of the Program [3].
- Price not reasonable [1].
- JWOD does not have the ability to accelerate delivery [1].
- Can not provide on-time delivery [1].
- Difficulty in getting used to the idea of using JWOD instead of the traditional contractor [1].
- Poor quality [1].

(2) *Discussion Question Fifteen (b)*. Contracting activities were asked to identify what are (or would be) the top two problems for their customers when using JWOD services. Fourteen contracting activities (35%) did not answer this question. Twelve of the contracting activities (30%) stated that their customers had no problems when using JWOD services. The remaining fourteen contracting activities (35%) provided comments on what problems their customers have (or would have) when they use JWOD services. Those comments have been

modified and condensed to combine identical or similar responses. The responses are listed below with the number of similar responses annotated:

- No work centers in the local area that can satisfy requirements [3].
- No trust in the handicapped to provide a quality service [3].
- Processing time to add services to the Procurement List is too long [3].
- Price is not reasonable [2].
- Unfamiliarity with JWOD [2].
- Can not make temporary adjustments to performance requirements [1].
- Additional administrative effort [1].

b. Analysis

This section will present a combined analysis for Questions Fifteen (a) and (b). The contracting activities stated that the processing time to add items to the Procurement List is (or would be) a problem for their customers. An objective of any contracting activity should be to procure items in a timely manner so that the customers' needs are met. The contracting activities seem to imply with their comments that the long processing times might prevent the end user from receiving products or services in a timely manner to satisfy their requirements. Based on the review of the literature this problem can be avoided through the interaction of the contracting activity and the central

nonprofit agency through the correct identification and timing of current and future contract requirements. As was pointed out in Chapter IV, if an item can not be added to the Procurement List in time to meet the activities' required delivery dates, then development of the item for the Procurement List will be postponed and the contracting activity will be advised to continue to use its current source.

Another potential problem was lack of trust in the handicapped to provide quality services. These are old biases that unfortunately still exist today. In conducting interviews with contracting officials, this reason was cited as a potential barrier for contracting activities when trying to do business with nonprofit agencies.

Closely linked to the potential problem of stereotyping the handicapped were statements concerning the customer's lack of understanding or unfamiliarity with the JWOD Program. Biases can often develop through a lack of information. In Question Fourteen (a), two of the contracting activities noted that one of their problems was the difficulty they have in convincing users that blind and handicapped individuals can produce quality products.

One of the contracting activities stated that JWOD doesn't have the ability to accelerate delivery. However, a review of the literature and interviews revealed that JWOD contracts have emergency clauses which require the nonprofit

agencies to accelerate delivery. Also, a purchase exception can be authorized in the event a nonprofit agency can not meet the requirements of the contracting activity.

16. Question Sixteen

The intent of Question Sixteen was to determine if the JWOD Program is being utilized as it was intended by laws, rules, and regulations. If the program is not being utilized effectively, what actions could be taken to increase Government contracting activity under the JWOD Program.

In your opinion, is the JWOD Program being utilized to the extent intended in the current laws, rules and regulations? Yes No If no, please comment on what actions could be taken to increase contracting activity under JWOD (e.g., set goals, establish a central point of contact for JWOD, command support)

a. Discussion

Twenty-three of the contracting activities (57.5%) answered that the JWOD Program is being utilized to the extent intended in current laws, rules and regulations. Fourteen of the contracting activities (35%) answered that the JWOD Program was not being utilized to the extent intended in the current laws, rules and regulations. One respondent stated "don't know" and another stated "I have no answer for this." The last respondent did not answer this question. The respondents were asked to comment if they answered "no" to this question. Those comments have been modified and condensed to combine identical or similar responses. The

responses are listed below with the number of similar responses annotated:

- More and better education is needed about all aspects of JWOD [10].
- Increase command support [2].
- Set goals [1].
- Establish a central point of contact [1].

b. Analysis

For Question Sixteen, over one-half of the contracting activities (57.5%) stated they felt the JWOD Program was being utilized to the extent intended by laws, rules and regulations. However, over one-third of the activities stated the Program was not being utilized to the extent intended. This indicates that there is room for improvement in the use of the JWOD Program by contracting activities. An examination of JWOD sales shows that of the three Services, the Army had the lowest dollar value of JWOD sales for Fiscal Year 1992. Navy purchases of JWOD items were nearly twice that of the Army's purchases and Air Force purchases were three and one half times as large as the Army's.

The contracting activities' offered several suggestions to increase contracting activity under JWOD. The majority of the suggestions centered on the need for more and better education about the JWOD Program.

This is consistent with similar responses to other questions in the survey. Respondents to the survey indicated that more information was needed in the areas of pricing and repricing. Also, several activities felt that the FAR was lacking in detailed guidance for the procedures to set aside items for the Procurement List.

17. Question Seventeen

The intent of Question Seventeen was to determine the positive aspects of the JWOD Program from the contracting activities point of view. Question Seventeen is below:

What do you think are the benefits for your contracting activity in procuring JWOD products or services?

a. Discussion

The contracting activities were asked to provide what they considered to be the benefits for their contracting activity when procuring JWOD products or services? Ten of the contracting activities did not answer this question. One of the contracting activities stated there were no benefits. The remaining twenty-nine activities provided comments regarding the benefits to their contracting activity when procuring JWOD products or services. Those comments have been modified and condensed to combine identical or similar responses. The responses are listed below with the number of similar responses annotated:

- Benefits the blind and handicapped individuals by providing employment [5].

- Procure quality products and services from JWOD [4].
- No need to reprocure, only to reprice [4].
- Dependable steady service, reliable source [4].
- Looks good for command to use JWOD [3].
- Services performed more efficiently and economically [2].
- Providing support for JWOD objectives [2].
- On-time delivery/performance [2].
- Able to meet Government requirements [2].
- Consistent pricing [1].
- Nonprofit agencies eager to please the customer [1].
- Fosters great public relations with the community [1].
- Sense of accomplishment [1].
- Using items on the Procurement List decreases ordering time [1].
- More control [1].

b. Analysis

The responses from the contracting activities provided a variety of benefits for contracting activities when procuring products or services from nonprofit agencies. The most frequent benefit listed was that procuring JWOD products and services would provide employment opportunities for blind and handicapped individuals. While this particular benefit may not enhance the efficiency or effectiveness of the contracting activity, the contracting personnel may view this benefit on a personal level. That is, the personnel that procure from JWOD agencies may have realized the personal

benefit of helping individuals through the JWOD Program. By procuring through JWOD, these activities may feel they are supporting the objectives of the JWOD Program and they may realize a sense of accomplishment as was stated by one contracting activity.

The benefits listed in this paragraph are some of the comments one would expect to see concerning any capable source of supply. The researcher expected to see several of these benefits listed. These benefits were in agreement with the literature published by the Committee, NIB and NISH. Some of the comments that agree with the literature include: quality products and services, reliable source and able to provide on-time delivery/performance. Also, these comments were consistent with responses to other questions regarding the quality of JWOD products and services and the responsiveness of JWOD agencies as a source of supply.

As a benefit, several activities listed no need to reprocore, only to reprice. This benefit is not one that a contracting activity could expect to find in contracting with commercial sources. It is the researcher's view that the contracting activities have found the repricing procedures resulted in time savings to their activity by reducing the administrative burdens associated with reprocorements. These reductions should serve to reduce a contracting activities' Procurement Administrative Lead Time (PALT). When compared to standard procurement actions, repricing eliminates the need to

conduct sealed bidding or solicitations using requests for proposals on a competitive basis. The only actions that would occur with the repricing would be the negotiation between the contracting activity and the nonprofit agency. These negotiations should be fairly straight forward as the nonprofit agency should have actual cost data and the contracting activity would have the information that was related to the fair market price, as determined by the Committee the year before.

Along with reduced PALT, the contracting activities do not have to be concerned with obtaining full and open competition. This should result in time saving to contracting activities during repricing.

A benefit not listed was that of reasonable price. This is inconsistent with comments in Questions Ten (a) and (b) where 52.5% of the contracting activities rated the price of JWOD products as being either excellent or acceptable and 60% of the contracting activities rated the price of JWOD services as being excellent or acceptable. This is also inconsistent with the results of Question Thirteen, where 65% of the contracting activities stated that a JWOD contract provided the Government with good value for its money. The literature also makes frequent comments that JWOD prices are fair and reasonable. Therefore, the researcher expected comments to indicate JWOD prices were reasonable or just as good as other sources.

Three contracting activities commented it looks good for the command to use JWOD. This could be true if the next higher command actively supports the JWOD Program. In this case a subordinate command would be wise to help support the higher commands' objectives. If this is not the case, then it would also look good for the command in the eyes of the community to support nonprofit agencies. Active support of the JWOD Program would help to foster good civil/military relations. It is the researcher's observation that by actively supporting JWOD, it is possible for the military to be viewed as a leader in the community.

18. Question Eighteen

The intent of Question Eighteen was to determine the benefits of the JWOD Program for the end-users of JWOD products and services. Question Eighteen is below:

What do you think are the benefits for your customers of using JWOD products or services?

a. Discussion

For Question Eighteen, the contracting activities were asked to provide what they considered to be benefits for their customers when procuring JWOD products or services. Thirteen of the contracting activities did not answer this question. Three of the contracting activities stated there were no benefits. The remaining twenty-four activities provided comments regarding benefits for their contracting activity when procuring JWOD products or services. Those

comments have been modified and condensed to combine identical or similar responses. The responses are listed below with the number of similar responses annotated:

- Enables the blind and handicapped to become productive citizens through employment [7].
- Consistent quality [6].
- Excellent performance [4].
- No need to reprocure only to reprice [3].
- Provides support for the JWOD Program [2].
- Satisfies users' requirements [2].
- Timeliness [1].
- JWOD employees' eagerness to please [1].
- Great public relations with the community [1].
- Procurement times faster if the item is on the Procurement List [1].
- Best value for the dollar [1].
- Sense of doing something good for your fellow man [1].

b. Analysis

The responses from the contracting activities indicated that there are several benefits for their customers when using JWOD products and services. The benefits listed for customers are very similar to those for contracting activities. The researcher expected to see similar benefits listed for the contracting activities and the customers. The reason for this opinion is that if using a particular source of supply provides benefits to the contracting activity, then

one would expect those benefits to apply to the customer also. The most frequent benefit listed was that purchases of JWOD products and services enables JWOD employees to become productive citizens. Contracting activities also stated that their customers would benefit from consistent quality, excellent performance, and no need to reprocure only to reprice. Without conducting reprocurement actions, the customer should receive the required products and services in a timely manner. These responses indicate that JWOD products and services should provide the customer with quality products or performance in a timely manner. This is what we would expect from a competent source of supply. This is consistent with comments provided in previous questions and in the literature that state JWOD can provide quality products and services on-time.

19. Question Nineteen

The contracting activities were asked for comments on how to improve the JWOD Program. Question Nineteen is below:

How could the JWOD Program be improved?

a. Discussion

Question Nineteen asked the contracting activities to offer suggestions for improving the JWOD Program. Thirteen of the activities did not offer any suggestions for improvement. Two of the contracting activities stated "don't know." The remaining twenty-five activities did offer

comments for improving the JWOD Program. Those comments have been modified and condensed to combine identical or similar responses. The responses are listed below with the number of similar responses annotated:

- Increase the overall awareness of the Program [9].
- Reduce the time required to add items to the Procurement List [4].
- Improve the Wage Rate Determination process [3].
- Better pricing in some geographic areas [3].
- More work centers [2].
- Provide detailed information to the acquisition workforce [2].
- Better definition of roles [2].
- More self-selling of their services (NIB/NISH) [1].
- They have good leadership and management, they can't get any better [1].
- Expand the types of products and services [1].

b. Analysis

A review of the responses for improving the JWOD Program indicate that contracting activities need more information about the JWOD Program. Several of the recommendations included comments to increase the overall awareness of the Program, provide more detailed information to the acquisition workforce, provide a better definition of the roles of the players, and more publicity of the Program. These comments are consistent with other responses to other questions in the survey. In Question Two, contracting

activities indicated they needed more information in the areas of recommending products for the Procurement List, pricing products, and the role of the Committee. In Question Three, the contracting activities needed more information in the area of pricing services. In Question Six, 45% of the contracting activities stated the FAR/CFR were not adequate to explain their agency's role in the JWOD process or they were not familiar with the procedures in these regulations. In Questions Seven (a) and (b), several contracting activities found the procedures for setting aside products and services to be somewhat difficult to understand.

Interviews conducted with experienced NISH officials support the idea of a lack of general understanding of the Program. These officials had worked in the contracting field for many years while serving in the military, and yet they felt that they really didn't have a good understanding of some of the fundamental concepts of the JWOD Program while they were still on active duty.

Another recommendation for improving the JWOD Program was to reduce the time required to add items to the Procurement List. This recommendation is consistent with responses to other questions where time to add items to the Procurement List has been identified as a problem by the contracting activities. In Question Eight (a), 60% of the contracting activities state the processing time for setting aside services was somewhat lengthy or excessive. In Question

Eight (b), 50% said the processing time for setting aside products was somewhat lengthy or excessive.

Improving the Wage Rate Determination process was made as a recommendation by three of the contracting activities. This is an area that is the responsibility of the Department of Labor. Some of the contracting activities stated that the Department of Labor was not timely in providing Wage Rates. This could be a contributing factor to comments that the process to add items to the Procurement List is time consuming.

Three of the contracting activities stated that better pricing is needed in some geographic areas. These comments may provide a possible reason why price was not listed in Question Eighteen as a potential benefit to customers when using JWOD products and services. These comments seem to indicate that there is a willingness to use JWOD services, but that some contracting activities have found JWOD prices to be higher than other sources. As was pointed out earlier one reason for the higher price could be the initial train-up costs.

20. Question Twenty

The purpose of Question Twenty was to determine the contracting activities' assessments of the degree of support that is provided by the Committee. Question Twenty is below:

How would you describe the support that the Committee for Purchase from the Blind and Other Severely Handicapped (CPBOSH) has provided you?

Very helpful____ Somewhat helpful____
Not helpful____ Have had no contact with CPBOSH____

How can CPBOSH be more helpful? (briefly explain)

a. Discussion

Thirty-nine activities answered this question. Fourteen activities (35%) checked "very helpful", Eleven activities (27.5%) checked "somewhat helpful", one activity (2.5%) checked "not helpful", and fourteen activities (35%) checked "have had no contact with CPBOSH." The contracting activities were asked to comment on how the CPBOSH could be more helpful. Those comments have been modified and condensed to combine identical or similar responses. The responses are listed below with the number of similar responses annotated:

- Become more visible and accessible to contracting activities [2].
- Conduct on site visits to contracting activities [2].
- Reduce the time required for approval of an item for the Procurement List [2].
- They would go out of business if they were more helpful [1].
- Send out updates, advertise like UNICOR [1].
- Eliminate committee meetings to grant approval for adding items to the Procurement List [1].

b. Analysis

The responses to this question indicate that generally the Committee seems to be helpful to the contracting

activities. Only one activity stated that the Committee was not helpful.

Slightly over one-third of the activities stated they have had no contact with the Committee. Some of the comments for how the Committee could be more helpful seem to address the issue that 35% of the contracting activities have had no contract with the Committee. These comments address the subject of the visibility of the Committee. Some activities think the Committee needs to be more visible and accessible to contracting activities. This could be accomplished as some activities indicated by having representatives from the Committee conduct site visits or periodically send out information updates on the Program to contracting activities.

Another area for improvement was to reduce the time required for approval of an item to be placed on the Procurement List. The issue of time required for Committee approval has surfaced during several different parts of the survey and it is the researcher's view that further comment on this issue is not necessary.

21. Question Twenty-one

The purpose of Question Twenty-one was to determine the contracting activities' assessments of the degree of support provided by NIB/NISH. Question Twenty-one is below:

How would you describe the support that NIB/NISH has provided you?

Very helpful____ Somewhat helpful____
Not helpful____ Have had no contact with NIB/NISH____

How can NIB/NISH be more helpful? (briefly explain)

a. Discussion

For Question Twenty-one, contracting activities were asked to assess the degree of support that NIB/NISH has provided to their activities. Thirty-nine contracting activities answered this question. Twenty-two contracting activities (55%) checked "very helpful", eleven contracting activities (27.5%) checked "somewhat helpful", no contracting activities (0%) checked "not helpful", and six contracting activities (15%) checked "have had no contact with NIB/NISH." The contracting activities were asked to comment on how NIB/NISH could be more helpful. Those comments have been modified and condensed to combine identical or similar responses. The responses are listed below with the number of similar responses annotated:

- I have had good relations with the NISH regional office [3].
- Expand the number of products and services [2].
- Visit contracting offices, educate and provide awareness [1].
- Better pricing in some geographical areas [1].
- They would go out of business if they were more helpful [1].

b. Analysis

The contracting activities seem to be very satisfied with the help they have received from NIB/NISH. Over one-half (55%) of the contracting activities stated that NIB/NISH were very helpful, with another 27.5% stating that they were somewhat helpful. Only 15% of the contracting activities stated they have had no contact with NIB/NISH, while 35% of the contracting activities stated they have had no contact with the Committee. The researcher expected a higher number of activities to state they have had no contact with the Committee. This is an indicator that the central nonprofit agencies are fulfilling their roles as advocates of the Program. The central nonprofit agencies will have the opportunity to have more contact with the contracting activities than the Committee, especially during the identification phase and to resolve any problems that might arise during production or performance.

c. Summary

The results of the survey present a variety of responses to the questions. Those responses range from Yes/No answers that can easily be quantified to answers where contracting activities have offered their opinions and recommendations concerning the JWOD Program. After an analysis of the individual questions, the major points that should be considered by the reader are as follows:

- Contracting activities are generally complying with the laws, rules and regulations in using nonprofit agencies as a mandatory source.
- Contracting activities generally have a positive impression of JWOD products and services in terms of quality, price, a stable contracting source and on-time delivery or performance. Nonprofit agencies are viewed as responsive as any other source.
- The major problem for contracting activities when they procure products or services is that the time required to add items to the Procurement List is too long.
- The concept of matching Government requirements to nonprofit agency capabilities seems to be working. Of the agencies that have submitted items for addition, a large percentage of those items were added. Where it was not practical for both the Government and the nonprofit agency, items were not added.
- Contracting activities felt that customers had a lack of understanding or unfamiliarity with the Program and there was a lack of trust in the handicapped to provide quality services.
- The contracting activities' best source of information for the JWOD Program was from external organizations and regulations. The contracting activities believe there is a need for more and better education about the JWOD Program.

VI. CONCLUSIONS AND RECOMMENDATIONS

A. INTRODUCTION

This chapter will present conclusions from the survey results as well as conclusions from the literature. There are some positive and encouraging conclusions regarding Department of the Army contracting efforts under JWOD as well as some conclusions that point to areas for improvement. This chapter will also include recommendations, answers to the research questions, and recommendations for further research.

B. CONCLUSIONS OF THE RESEARCH

1. Contracting activities generally rely upon external sources for information on the JWOD Program.

In Question One, contracting activities identified NIB/NISH, the Committee, and the FAR/CFR as their best sources of information on the JWOD Program. Only two of the forty contracting activities stated that their best source of information on the JWOD Program was from internal sources such as in-house training or in-house publications. This implies that either internal training is not being conducted or the quality of internal training is poor. Continued reliance upon external sources could have an adverse impact on contracting activities if an the activity experiences turnover of personnel that understand the Program. Without an effective

training program, an organization could lose its expertise in the JWOD Program.

2. The concept of matching Government requirements to nonprofit agency capabilities seems to be working.

In Question Five, 17 activities identified and submitted items for addition to the Procurement List. Of those 17 activities, 14 activities (82%) had an item added to the Procurement List. A contributing factor to this high percentage of additions is the help provided by NIB/NISH. A nonprofit agency must be capable of meeting Government requirements. If items are placed on the Procurement List without considering a nonprofit agency's capabilities, adverse results could occur to both the Government and the nonprofit agency. A contracting activity would not want to procure items from a source that is not capable of meeting its requirements and a nonprofit agency's reputation as a supplier could be damaged if it tried to satisfy requirements beyond its capabilities.

3. Contracting activities generally have a positive impression of JWOD products and services in terms of quality, price, stable contracting source and on-time delivery or performance.

In Question Eleven, 64% of the contracting activities stated that JWOD products are about the same or better than products provided by other contractors. For services, 70% stated that JWOD services are about the same or better than services provided by other contractors. In Question Twelve, 62.5% of the contracting activities stated that workshops were

about as responsive or more responsive than other contractors. For services, 72.5% of the contracting activities stated that workshops were about as responsive or more responsive than other contractors. In Question Thirteen, 65% of the contracting activities stated that a JWOD contract does provide a good value for the money. In Question Ten, 62.5% of the contracting activities considered nonprofit agencies to be an excellent or an acceptable source for providing services. While 45% of the activities rated nonprofit agencies as acceptable or excellent in the category of a stable source for products, none of the activities rated nonprofit agencies as being a poor source. Also, 45% of the activities rated nonprofit agencies as excellent or acceptable for on-time delivery of products with only 2.5% of the activities giving a rating of poor. The remaining activities in the category of on-time delivery did not have enough experience with products to rate the nonprofit agencies in this category.

This information implies that nonprofit agencies are just as capable as any other contractor and that generally they meet contracting activities' expectations to provide quality products and services at a reasonable price. Just like any other contractor, nonprofit agencies must continue to meet these standards in doing business with the Government.

4. The contracting activities believe there is a lack of understanding or unfamiliarity with the Program within the contracting community as well as the customers.

The survey results revealed several areas that contracting activities believed more information was needed concerning various aspects of the JWOD Program. In Question Two, 27.5% of the activities were not knowledgeable of the procedures to set aside products and 27.5% were not knowledgeable of pricing procedures for products. Only 42.5% of the activities were generally knowledgeable of the Committee's role in setting aside products and 45% were generally knowledgeable of the Committee's role in setting aside services. In Question Six, 45% of the activities stated the procedures in the FAR and CFR were not adequate to explain their agency's role in adding items to the Procurement List or they were not familiar with the procedures listed in the FAR/CFR. In Question Ten, the contracting activities were asked to rate certain items pertaining to products and services. For products, 72.5% of the activities were not familiar with the repricing procedures, and 50% were not familiar with the repricing procedures for services. In Question Sixteen, fourteen activities believed the JWOD Program was not being utilized to the extent intended by law. Of those fourteen, ten stated that better education of all aspects of the Program was needed to increase contracting activity under JWOD. In Question Nineteen, 36% of the contracting activities suggested increasing overall awareness of the Program as a method to improve the JWOD Program.

Contracting activities were asked to identify the top problems for their customers when using JWOD products and services. In the area of products, 36% of the activities that listed problems stated there was a lack of understanding of the Program. For services, 21% of the activities that listed problems stated there was a lack of trust in the handicapped to provide quality services.

If Government contracting officials have a good understanding of all aspects of the JWOD Program, they will be in a position to provide greater support for the Program. The JWOD Program offers the potential to develop long term customer/supplier relationships that can provide many benefits to the contracting activity and the end-user. It is necessary to understand the Program to take advantage of its benefits and offer any suggestions for improvements to the Program.

5. A significant problem for contracting activities is that the time required to add items to the Procurement List is too long.

In Question Eight, 47.5% of the contracting activities stated the processing time for products was "somewhat lengthy" and 12.5% stated the processing time was "excessive." For services, 40% stated the processing time was "somewhat lengthy" and 10% stated the processing time was "excessive." Question Fourteen asked contracting activities to identify their top problems when procuring JWOD products or services. For products, 41% of the activities that listed problems stated that the time to add products is lengthy. For

services, 56% of the activities that listed problems stated that adding a service to the Procurement List is time consuming. The contracting activities also listed the time required to add a product or service to the Procurement List as a problem for the end-users.

6. Contracting activities are generally complying with the laws, rules, and regulations in using nonprofit agencies as a mandatory source.

Field contracting activities are generally in compliance with the provisions of the Act. The majority of the contracting activities believe the Program is being utilized to the extent intended under the laws, rules and regulations. However, the survey results have shown two potential problem areas. The survey results revealed that 20% of the contracting activities never check the Procurement List or rarely check for the availability of JWOD products and services. The researcher concludes that these contracting activities are not checking for availability of JWOD products and services because they are not aware of the requirement of the law to use NIB/NISH as a mandatory source or they chose to violate the requirement. With 35% of the contracting activities stating that the JWOD Program is not being utilized to the extent intended by the law, rules and regulations, the implication is that there is room for improvement in the utilization of nonprofit agencies as a source of supply.

Another area for improvement is the identification and submission of items for addition to the Procurement List.

Only 42.5% of the contracting activities surveyed have identified or submitted a service for addition to the Procurement List within the last two years. None of the contracting activities had identified a product for addition to the Procurement List. This implies that contracting activities are being served well by the products that are currently on the Procurement List and that services are the area for JWOD to expand.

7. Contracting activities indicate that there are societal benefits from the JWOD Program.

The comments from contracting activities and the results of the national survey of the JWOD population conducted by Research and Evaluation Associates, Inc., indicate that there are societal benefits from the JWOD Program. When asked to list the benefits for contracting activities and their customers, the contracting activities stated that through JWOD employment blind and handicapped people can become productive citizens. This benefit is possible through Government purchases of commodities and services from nonprofit agencies. Through JWOD employment, many individuals are now leading a more independent lifestyle and have become productive members of society. Many of these individuals have learned skills that have led to employment in competitive jobs.

The benefit to society is that these individuals are less dependent on the Government for assistance and many are

now contributing to the Government as taxpayers while providing necessary products and services to the Government. Several contracting activities mentioned this particular benefit. This is an indication that many contracting activities are aware of the goals and objectives of the JWOD Program and can see the importance of supporting these objectives.

C. RECOMMENDATIONS

1. Reduce the time required to make an addition to the Procurement List.

The time required to make an addition to the Procurement List could be reduced through different approaches. Eliminate the 30-day waiting period after the Notice of Addition has been placed in the Federal Register. A task force could be formed to examine possible ways to streamline the addition process. Members of the task force could include contracting activity representatives, representatives from work centers, NIB and NISH representatives, and representatives from the Committee. This group could bring many different perspectives on the issue and could offer several alternatives on how to improve the process. Reducing the time to make additions could encourage contracting activities to become more active in identifying and submitting items for addition.

2. Encourage the use of functional or performance specifications and use statements of work that describe what work is to be done instead of how the work will be accomplished.

This recommendation should encourage more innovation on the part of the work centers. A complaint of many contracting activities was that it took too long to get a proposal from the work center. The use of detailed specifications could easily increase the time to put together a proposal. Reducing detailed specifications and using statements of work to describe what work is to be accomplished should reduce the time to put together cost proposals. This also allows for more innovation and creativity on the part of the work center. The result could be a reduction in the time to add items to the Procurement List.

3. Conduct more training to increase overall awareness of the JWOD Program.

Department of the Army contracting activities need to conduct more training to educate their personnel on the JWOD Program. Areas to be covered should include background information on the Program, requirements of the Program, what products and services are offered and who the points of contact are at NIB, NISH and the Committee. Specific training could be conducted on the procedures for setting aside products and services as well as repricing procedures. Contracting officials should obtain and use Chapter 51 of the Code of Federal Regulations and publications from NIB/NISH and the Committee to supplement the material in the Federal

Acquisition Regulation. As contracting officials become better informed, they can communicate the positive aspects of the Program to the end-users. This could help to avoid or eliminate biases against the use of JWOD products and services.

4. The Committee, NIB, and NISH should continue their outreach efforts.

The Committee, NIB, and NISH should continue with their efforts to promote the Program. They were identified as being the best sources of information on the JWOD Program. Through their efforts with an increased level of internal training conducted at contracting activities, the overall awareness of the Program can increase. It is important for the Committee, NIB and NISH to stay visible to the contracting activities to develop a sense of teamwork and foster a greater understanding of the Program.

D. ANSWERS TO RESEARCH QUESTIONS

1. Primary Research Question

How effectively are the Department of the Army contracting activities complying with the requirements of the Javits-Wagner-O'Day Act?

Field contracting activities are generally in compliance with the provisions of the Act. The majority of the contracting activities believed the Program is being utilized to the extent intended under the laws, rules and regulations. However, the survey results showed two potential problem

areas. The survey results revealed that 20% of the contracting activities never check the Procurement List or rarely check for the availability of JWOD products and services. The researcher concludes that these contracting activities are not checking for the availability of JWOD products and services because they are not aware of the requirement of the law to use NIB/NISH as a mandatory source or they chose to violate the requirement. Over one-third of the contracting activities (35%) stated that the JWOD Program is not being utilized to the extent intended by the law, rules and regulations. The implication is a lack of support for the JWOD Program and a need for enforcement of the requirements of the Program. There is room for improvement in the utilization of nonprofit agencies as a source of supply for contracting activities.

Only 42.5% of the contracting activities surveyed have identified or submitted a service for addition to the Procurement List within the last two years. Even though less than one-half of the contracting activities surveyed have identified items in the last two years, it does show that contracting activities are providing some support for the Program.

2. Subsidiary Research Question One

What are the requirements of the Javits-Wagner-O'Day Act?

The intent of the JWOD Act in its first form in 1938 was to increase employment opportunities for the blind. This was to be accomplished through Federal Government purchases of products manufactured by the blind. The Act was amended in 1971 to include work centers that employ individuals with other severe disabilities to participate in the Program. The new law further provided a third preference for the purchase of commodities by the Federal Government. The third preference, after the Federal Prison Industries and purchases from the blind, went to nonprofit agencies that employ other severely handicapped individuals. The law also provided that services as well as products could be provided to the Government and that nonprofit agencies employing the blind or other severely handicapped individuals would have preference in the procurement of services over private industry.

3. Subsidiary Research Question Two

What are the responsibilities of the President's Committee for Purchase from People Who Are Blind or Severely Disabled?

Under the JWOD Act, the Committee is an independent Federal agency that is responsible for establishing rules, regulations, and policies to assure effective implementation of the JWOD Act. The Committee is responsible to ensure that workshops as well as Government contracting activities comply with established rules and regulations. The Committee will determine which commodities and services are suitable for

procurement by the Federal Government and it will determine the fair market prices for these items. The Committee will also assist agencies of the Federal Government in expanding their level of JWOD procurement.

4. Subsidiary Research Question Three

What are the types of products and services that are provided by NIB and NISH?

More than 3,500 commodities and services are provided under the JWOD Program. Some of the services provided are repair services, laundry services performed with Work Center owned and operated facilities, or operated at Government-owned facilities, mail services, grounds maintenance and warehouse services that include tasks such as shipping and receiving, reconciliation of stock, scheduling shipments and inspection of property. The list of services continues with the areas of food service, janitorial and custodial services and recycling services. Administrative services are provided which include the operation of switchboards, the maintenance of Marine Corps personnel records and the conversion of documents to microfilm, microfiche and optical disk.

There is also a wide range of products that are produced under the JWOD Program. JWOD products, such as pens and pencils, can be found in almost any Government office under the SKILCRAFT trade name. Items such as detergents, glass cleaners, sponges, paper plates, paper towels, and aerosol paints are purchased by the General Services

Administration. In addition to these items, there are many commodities that are made specifically for the Department of Defense. Some of these items are Army sweat suits, flatware, coat liners, ponchos, sea markers, cable assemblies, wheel chocks for aircraft, and panel markers. Products for military resale can be found in commissaries throughout the world. Typical products in this area include wire brushes, sponges, detergents, pot holders, and candles. This wide range of products and services offered is an indication of the fact the individuals who are providing these items possess an impressive range of capabilities and can perform many tasks.

5. Subsidiary Research Question Four

What are the principal impediments or barriers to Department of the Army procurement of products or services from NIB/NISH?

There are several impediments or barriers that affect Department of the Army procurement of products or services from NIB/NISH. The comments from the contracting activities on several questions indicate there is a lack of understanding of several aspects of the JWOD Program. The need for more information was a common theme expressed in areas involving: setting aside items for the Procurement List, repricing procedures and understanding the role of the Committee. When asked to provide recommendations on how to improve the JWOD Program, the most frequent response was to increase the overall awareness of the Program.

Another problem cited by contracting activities was that it took too long to add an item to the Procurement List. If this process is too lengthy and complicated, contracting activities will probably not pursue adding new items to the Procurement List. For the last two years, 57.5% of the contracting activities have not identified or submitted an item for addition to the Procurement List.

The survey also revealed that 20% of the contracting activities do not check the Procurement List or check it on a less than frequent basis. This is an impediment in that it displays a lack of concern to comply with the laws, rules and regulations.

Several contracting activities also felt that their customers had a lack of understanding of the JWOD Program and it would be difficult to convince their customers that quality products and services could be provided. The contracting activities also felt their customers would have no trust in the handicapped to provide quality services. With these attitudes or perceptions it will be difficult to convince the customers that nonprofit agencies are a capable source of supply.

6. Subsidiary Research Question Five

What actions are required to overcome these barriers and enhance NIB/NISH participation in contracting with the Department of the Army?

There are several actions that can be taken to enhance NIB/NISH participation in contracting with the Department of the Army. One action is to form a task force to explore ways to reduce the time it takes to make additions to the Procurement List. Encouraging the use of performance or functional specifications and using statements of work that describe what task is to be performed should encourage innovation and decrease the time for work centers to develop cost proposals. Contracting activities should conduct more internal training and the Committee, NIB and NISH should continue with their outreach efforts to increase overall awareness of the Program among contracting activities and their customers.

E. AREAS FOR FURTHER RESEARCH

An area for future research is to conduct a detailed examination of the addition process from a Total Quality Management perspective. The research could focus on possible improvements to the addition process by applying Deming's principles. Another area of research would be to examine the nonprofit agencies' contributions to the Gulf War effort. The research could focus on the nonprofit agencies' capabilities to meet surge requirements. Case studies could be conducted to illustrate successes and examine areas where improvements could be made to meet emergency requirements.

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